

WEST COAST DISTRICT MUNICIPALITY

ANNUAL REPORT

2018/2019



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CHAPTER 1

EXECUTIVE SUMMARY MAYOR'S FOREWORD AND OVERVIEW BY THE MUNICIPAL MANAGER

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



It gives me great pleasure to report to Council on the Performance of the West Coast District Municipality for the year under review.

At first I want to applaud our dedicated personnel and officials for the tremendous hard work and loyalty to the municipality. Through your professionalism and institutional knowledge it makes West Coast District Municipality a prominent municipality in South Africa. Without you, we would never have been able to achieve our goal of serving our people. Through your dedication we could applied the principles of Batho Pele – Put our people first.

It is with great joy and pride to announce that our municipality has received their ninth consecutive Clean Audit report and achievement of which all 537 officials of ours can be proud of. Thank you to all who makes this remarkable achievement possible.

Year after year, service delivery is becoming a bigger challenge for municipalities, while the availability of finance is decreasing, but with the little money we have, we have done the best for our people, our region and the environment.

Once again, we were able to link our budget to our five strategic objectives and spend accordingly:

- To ensure the environmental integrity of the district is improved.
- To pursue economic growth and facilitation of job opportunities.

- To promote the social well-being of our people.
- To provide essential bulk services to the district.
- To ensure good governance and financial viability.

Through strategic planning and effective stakeholder's relations, the District Municipality have had numerous successes aligned to these objectives. The social development department is central to the municipality's quest in making a difference to women, children, people with disabilities, youth, the elderly and those affected by substance abuse to mention a few.

Enterprise development, capacity building and awareness workshops were held and 268 participants attended. SMME assistance was done to 12 people and a successful Responsible Tourism Conference attended by 80 people.

Our municipality is financially sound and we also have a good credit rating.

Conclusion:

I would like to thank all Councillors, MPAC and MAYCO for their effective oversight of the municipalities operations. My sincere thanks to the Municipal Manager, the Directors and all officials for your contribution to our success rate and diligence to serve this municipality. I also have to express my gratitude to the external Audit Committee for their guidance and oversight role.

Better together.

ALD JOHN HAROLD CLEOPHAS
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY – MUNICIPAL MANAGER'S OVERVIEW



The 2018/2019 Annual Report of the West Coast District Municipality provides a summary of the year under review. I am privileged to provide an overview of performance regarding municipal matters for the July 2018 to June 2019 financial year. The annual report has been prepared in accordance with MFMA circular 63 and reflect on the strategic intent as was adopted in the 2017/18-2022/23 Integrated Development Plan.

We have remained steadfast in journey in giving effect to the five year strategic plan. The significant challenge however, was and will remain for time to come, the drought as a result of various factors and the behaviour towards this precious natural commodity. We have noted the increase in dam levels which is our primary source of supply within the West Coast District area, however, longer term planning and implementation collaboration will be key in ensuring a resilient response to possible future droughts which is likely to occur.

We have commenced, following Councils consent and availing of funds the roll-out of virtual connectivity and whilst we embracing the change management challenges through implementation, it will definitely allow for a seamless and integrated portal for all officials to have access and to finalise work in an efficient and effective manner. During the previous year we have reported on the establishment of a regional landfill site and we are progress well in response to a possible disaster and the costs for rehabilitation. The various stakeholders are working tirelessly to ensure all fundamental documents is in place and to allow for landfill availability. This will bring much relief to the municipalities of Cederberg and Matzikama regarding compliance and possible downstream opportunities once the facility is established.

Our partnership with the German international organisation KIEZ remains in force for youth development, leadership and cultural exchange programs. During the year we had youth representatives from the West Coast who was part of the exchange program and also received a German delegation which we a proud of in building long term relations. Furthermore, the contributions and focus on the theme of "Restoring the Social Fabric" as very often alluded to by the Executive Mayor has seen increased awareness and participation of

various stakeholders. The small steps towards this fundamental phenomena in the district is to be challenged with focussed intervention and the change of attitudes by society for the society at large. We are seeing a shift through regulatory prescripts for which careful consideration will be given on how to strengthen support and activities within the municipal district.

The achievement of an 9th consecutive clean audit (unqualified audit opinion with no material reportable matters) as expressed by the Auditor-General is welcomed and this achievement has been a collaborative and diligent effort by the Executive Mayor, Council and the Administration to ensure effective, efficient and objective-driven implementation. The achievement of the clean audit put us in good stead in showcasing our ability to conform to requirements whilst at the same time deliver on our assigned mandates and external stakeholders have oversight on the governance affairs of state organisations. We are mindful that the shift in focussed and increased intensity of the audit procedures executed, that we have regressed and that refinement of procedures will be of utmost importance to ensure effectiveness and efficient methods from a regulatory perspective and to allow for service delivery to proceed uninterruptedly.

Thanks to all for their respective contribution in making the 1 July 2018 to 30 June 2019 financial year a success. I would like to give special thanks to the Directors and Management team for the oversight in execution during the financial year. The Chief Financial Officer and his team in strengthening the control environment and for the collective effort and keeping it balanced during the part audit. Sincere appreciation for the Executive Mayor and Council, Audit Committee, MPAC, for the leadership and/or oversight. We are fortunate to have a balanced layered team and we can only build on the strength of each individual and collectively reap the rewards.

MR DAVID JOUBERT
MUNICIPAL MANAGER

VISION AND MISSION

Vision

A quality destination of choice through an open opportunity society.

Mission

To ensure outstanding service delivery on the West Coast by pursuing the following objectives:

STRATEGIC OBJECTIVES

These objectives also correspond with priorities at the global, national and provincial level and align with the strategic intent. As early as 2003, the United Nations Development Programme outlined five central challenges facing sustainable development in South Africa in the South Africa Human Development Report (UNDP:2003):

- The eradication of poverty and extreme income and wealth inequalities.
- The provision of access to quality and affordable basic services to all South Africans.
- The promotion of environmental sustainability.
- A sustained reduction in the unemployment rate.
- The attainment of sustainable high growth rates.

The fact that the five high-level strategic objectives that have been identified by the West Coast District Municipality are in line with these challenges emphasises that the District Municipality continues to confront the issues of the country and, in particular, of the district. The District Municipality's objectives are as follows:

Strategic objective 1: Ensuring environmental integrity for the West Coast.

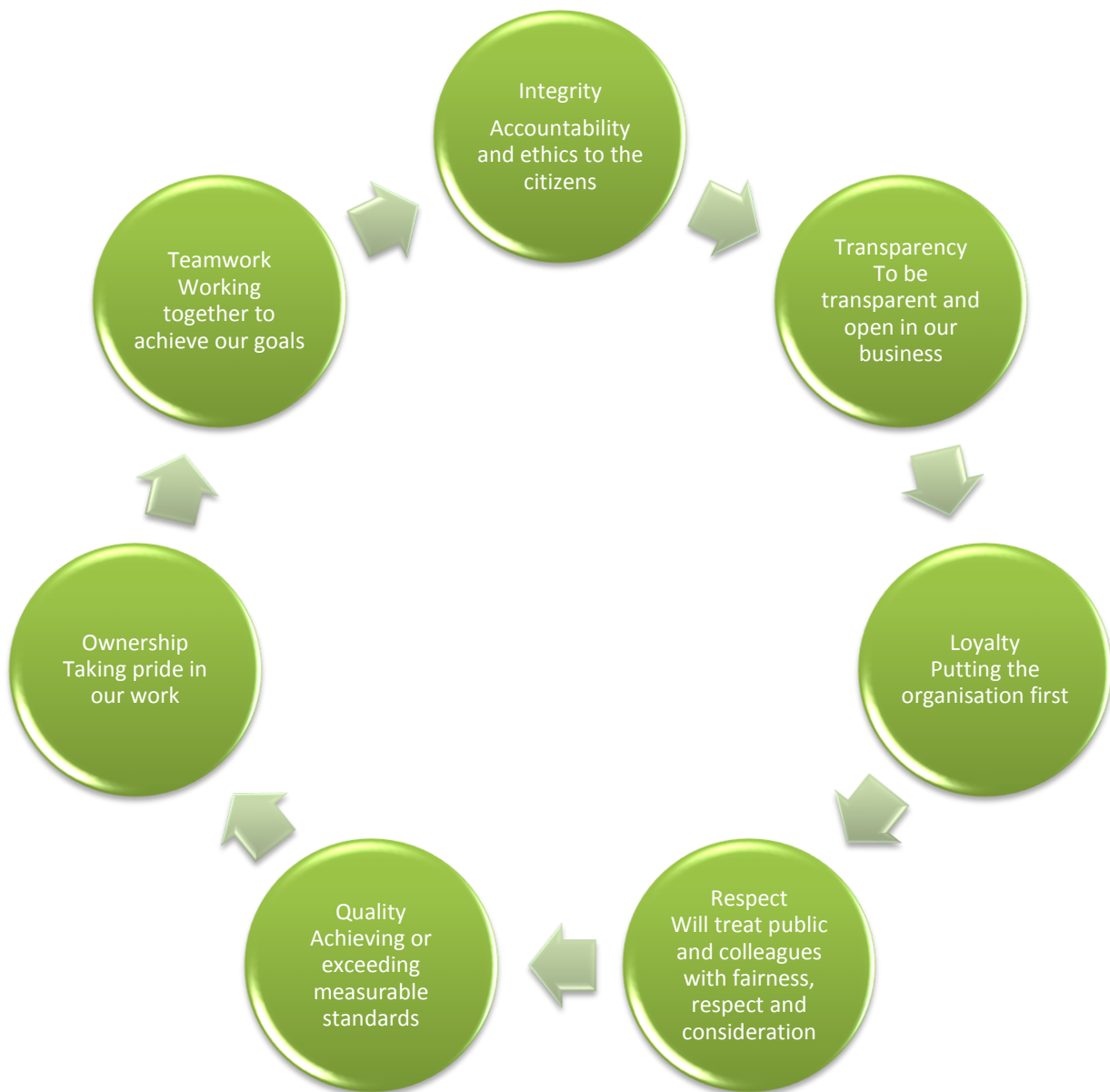
Strategic objective 2: Ensuring good governance and financial viability.

Strategic objective 3: Pursuing economic growth and facilitation of job opportunities.

Strategic objective 4: Promoting the social wellbeing of the community.

Strategic objective 5: Promoting essential bulk services in the region.

CORE VALUES



1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 MUNICIPAL FUNCTIONS

A municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution.

A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by:

- a) ensuring integrated development planning for the district as a whole;
- b) promoting bulk infrastructural development and services for the district as a whole;
- c) building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- d) promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

Section 84 of the Municipal Structures Act distinguishes between roles and responsibilities of district municipalities and those of B-municipalities. According to the Act, the West Coast District Municipality must perform the following functions:

- (a) Integrated development planning for the district municipality as a whole.
- (b) Potable water supply systems.
- (c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- (d) Domestic waste-water and sewage disposal systems.
- (e) Solid waste disposal sites, in so far as it relates to -
 - (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- (f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.
- (g) Regulation of passenger transport services.
- (h) Municipal airports serving the area of the district municipality as a whole.
 - (i) Municipal health services.
 - (j) Firefighting services serving the area of the district municipality as a whole, which includes-
 - (i) planning, co-ordination and regulation of fire services;
 - (ii) specialised firefighting services such as mountain, veld and chemical fire services;
 - (iii) co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
 - (iv) training of fire officers.
- (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
- (m) Promotion of local tourism for the area of the district municipality.
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.

1.2.2 INTRODUCTION: BACKGROUND DATA

The West Coast District Municipality, a category C municipality, comprises five local municipalities. The District covers an area 31 119 km². The Department of Local Government and Social Development (2016) estimated the population of the entire West Coast region to be 450 610.

The West Coast District is well known for its coastline, vast farmlands and wildflowers. The WCD borders the Cape Metro area, the Cape Winelands District and the Northern Cape.

1.2.3 HEADQUARTERS OF THE CATEGORY B MUNICIPALITIES

The West Coast District is a category C municipality, situated in Moorreesburg and comprises the following category B local municipalities: Matzikama, Cederberg, Bergrivier, Saldanha Bay and Swartland.

The table below sets out the various municipalities that make up the West Coast District Municipality, along with their provincial codes and principal administrative centres.

Table 1.1: Municipalities within the West Coast District Municipality






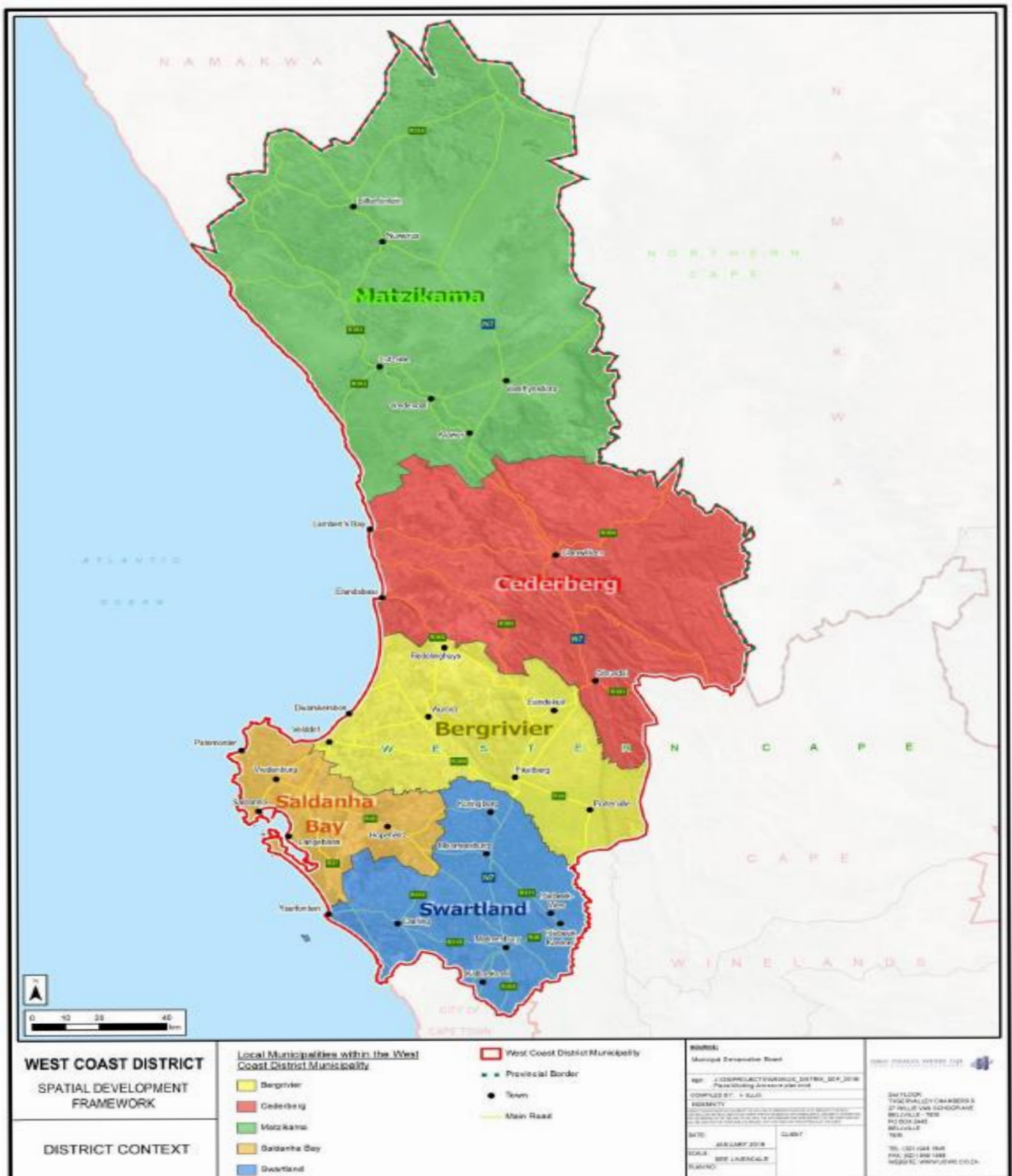
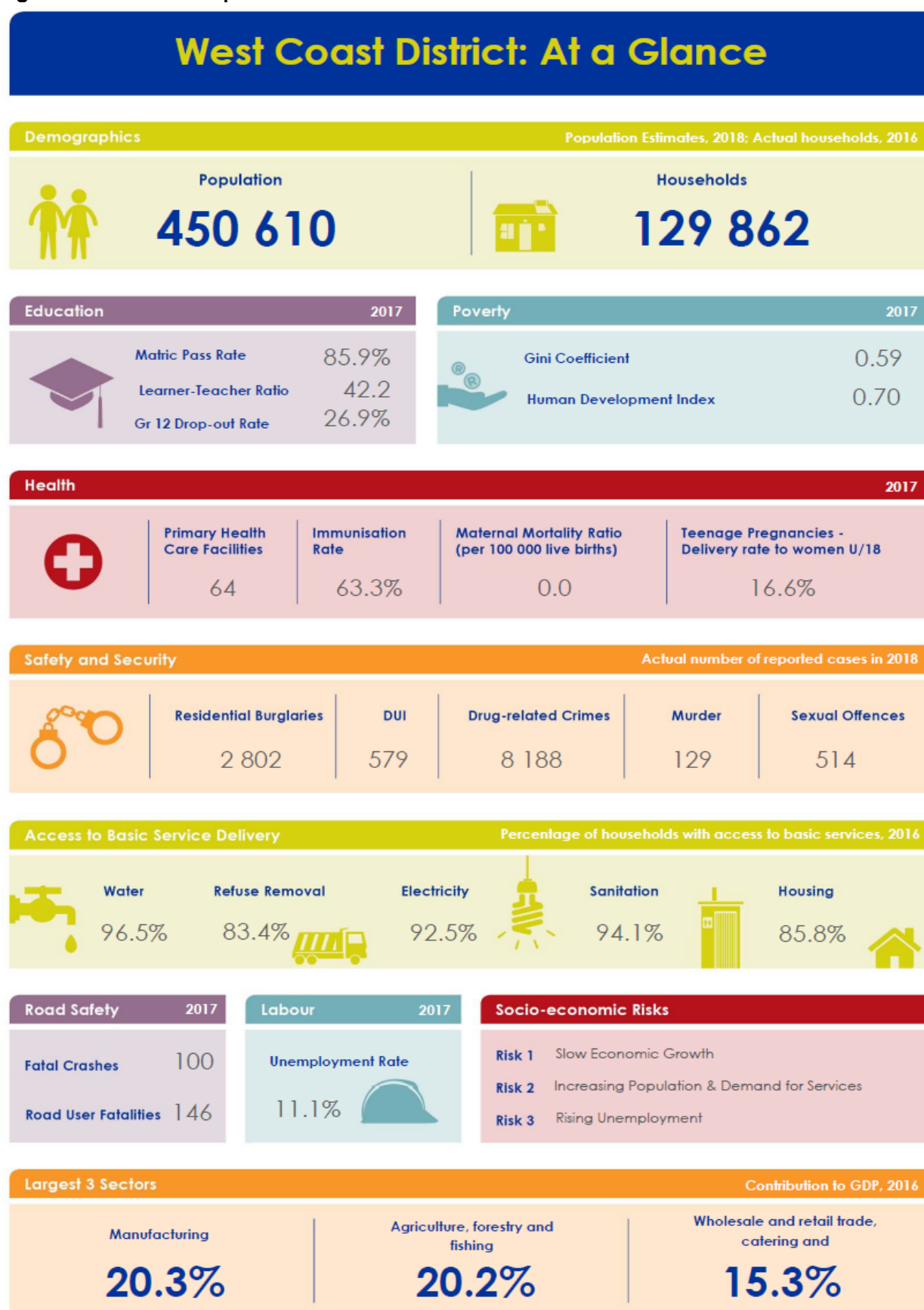
Code	Local municipality		Headquarters
WC011	Matzikama Municipality		Matzikama Municipality covers an area of 13000 km ² and includes: Vredendal Vanrhynsdorp, Klawer, Lutzville, Koekenaap Strandfontein, Doringbaai, Ebenhaezer, Papendorp, Bitterfontein, Rietpoort, Kliprand, Stofkraal, Putsekloof and Nuwerus, Molsvlei, Kleinhoek, Samsamhoek
WC013	Bergvriër Municipality		Bergvriër municipality covers an area of approximately 4 407km ² and includes: Piketberg Porterville, Velddrif, Laaipelek, (Dwarskersbos); Aurora, Redelinghuys, Eendekuil, Goedverwacht, Wittewater
WC012	Cederberg Municipality		Cederberg Municipality covers an area of 8007 km ² and includes: Clanwilliam Citrusdal, Lamberts Bay Eland's Bay, Paleisheuwel, Leipoldtville, Elandskloof, Wuppertal, Graafwater, Algeria
WC014	Saldanha Bay Municipality		The SBM covers an area of 2 015 km ² and has a coastline that stretches 238km and includes Vredenburg Saldanha, Langebaan, Hopefield Paternoster St. Helena Bay, Brittanja baai, Sandy Pint, Steenberg's Cove, Hannasbaai, Laingville, Stompneusbaai, Shelley Point, Blueberry Hill, Midwest, Jacobsbaai <i>West Coast National Park</i>
WC015	Swartland Municipality		Swartland Municipality's serves an area of 3 700 square kilometres and includes : Malmesbury Moorreesburg, Riebeeck West Riebeeck-Kasteel, Darling, Kalbaskraal, Abbotsdale, Koringberg, Chatsworth Yzerfontein Riverlands

Figure 1.1 Map of the West Coast District Municipality



Source: Spatial Development Framework 2019

Figure 1.2: Western Cape – Socio Economic Profile



Demographic Context of the Local Municipalities

The demographic information was obtained from the 2018 Mid-Year Population Estimates (MYPE) by STATS SA. According to the MYPE 2018 data the **total population** of the West Coast District was estimated at **450 610**, in comparison to **391 766** in the **2011** Census data. The following tables summarize the total population of the West Coast District as well as the annual growth rate, as follows:

Comparison with Western Cape population growth

Table 1.1: Provincial Population

PROVINCIAL			
POPULATION (TOTAL)	2011	2018	Annual Growth Rate (2011-2018)
Western Cape	5 657 988	6 621 103	2.2%
West Coast DM	391 766	450 610	2.0%

Western Cape vs. West Coast District Population Growth Rate (Census, 2011 & STATS SA MYPE 2018)

The decline in the annual population growth rate of the West Coast District Municipality compared to the Western Cape Provincial growth rate is an indication that the population growth in the West Coast District slowed down since the 2014 West Coast District analysis, when the annual growth in the District between 2001 and 2011 was 3.3%.

Table 1.2 Total population and population growth of Local Municipalities within the West Coast District

Code	Municipality	Population 2011	Population 2016	Population 2018	Annual Growth Rate
					2011-2018
WC015	Swartland	113 762	133 762	141 232	3.14 %
WC014	Saldanha	99 193	111 173	115 200	2.16 %
WC011	Matzikama	67 147	71 045	71 438	0.9 %
WC013	Bergvriër	61 897	67 474	69 158	1.6 %
WC012	Cederberg	49 768	52 949	53 582	1.06 %
		391 766	436 403	450 640	2.0 %

Source Statistics South Africa Census 2011 and Community Survey 2016
 Provincial profile: Western Cape [Community Survey 2016]
 WCDM SDF 2019

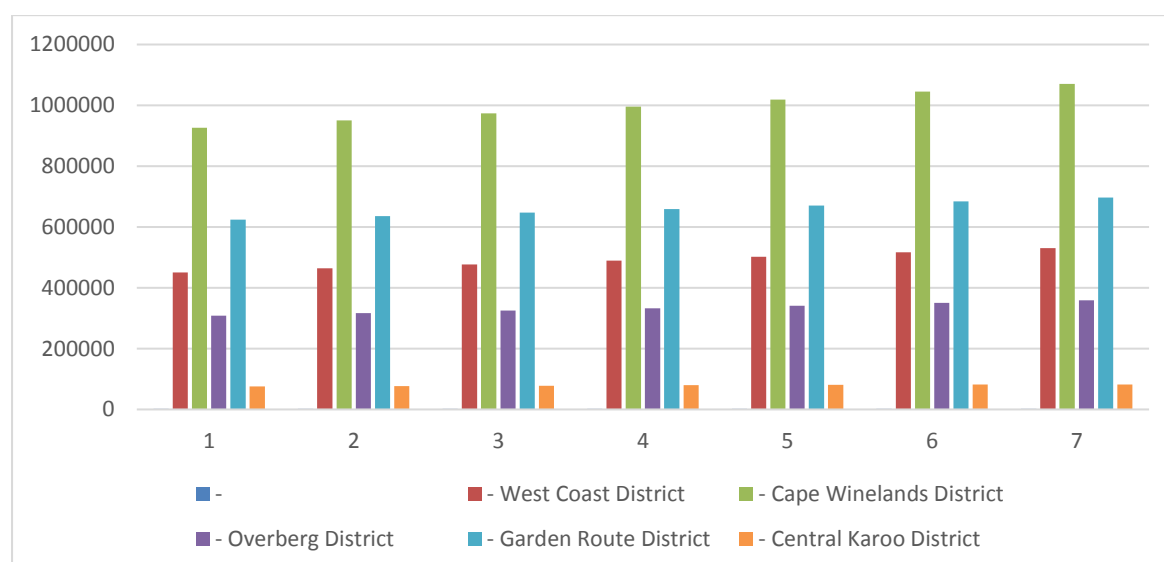
The aforementioned table indicates that Saldanha Bay and Swartland are the two municipalities with the highest population growth rates.

Table 1.3 Population

Year	West Coast District	Cape Winelands District	Overberg District	Garden Route District	Central Karoo District
2018	450 610	926 698	308 010	623 800	75 695
2019	463 690	950 148	316 412	635 600	76 900
2020	476 599	973 198	324 660	647 280	78 198
2021	489 419	996 075	332 769	658 744	79 550
2022	502 241	1 018 964	340 889	670 235	80 896
2023	516 713	1 045 198	350 129	683 948	81 572
2024	530 860	1 070 767	359 147	697 213	82 381

Source: SEP Western Cape, 2018

Figure 1.3 Population

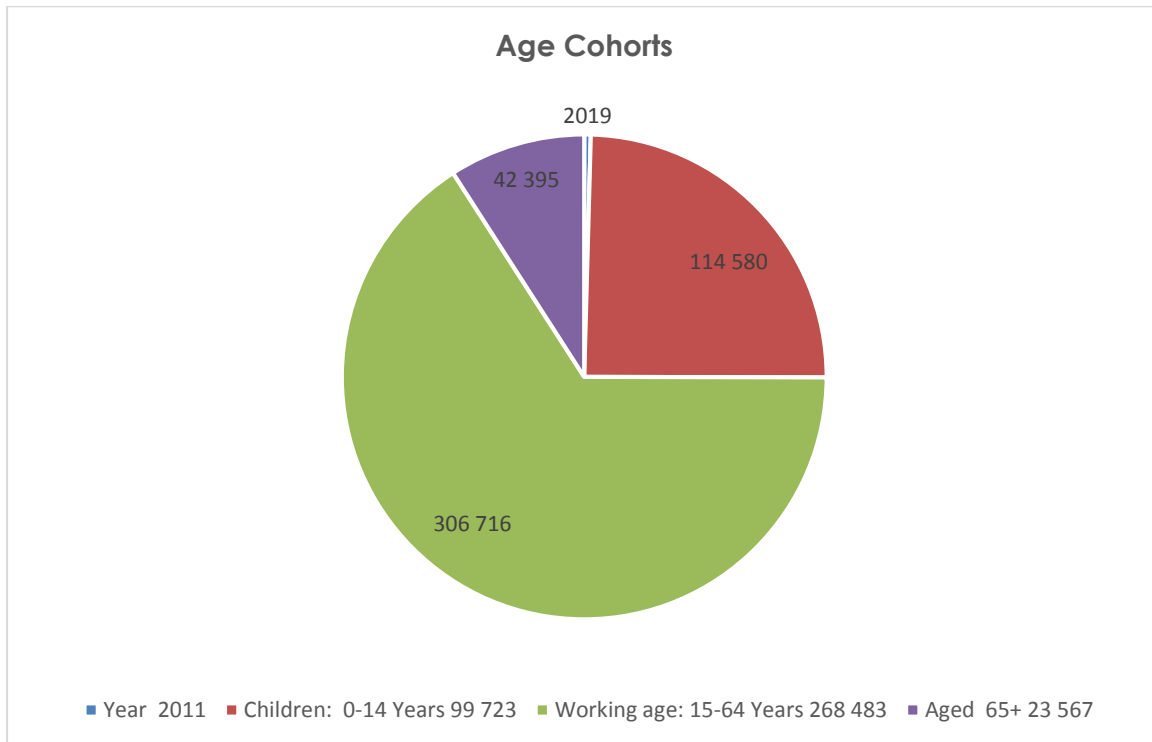


The growth of West Coast District for the 2018 to 2024 period is strengthened by the growth of the Swartland population of 3. per cent which is the highest within the Province. The Department of Social Development's 2018 projections, the West Coast Municipality currently has a population of 450 610, placing it in the middle of other Districts, with the Garden Route and Cape Winelands being bigger, whilst Overberg and Central Karoo have smaller populations.

Table 1.4: Age Cohorts

Year	Children: 0-14 Years	Working age: 15-64 Years	Aged 65+	Dependency Ratio
2011	99 723	268 483	23 567	45.9
2019	114 580	306 716	42 395	51.2
2024	125 745	350 225	54 891	51.3

Source: SEP Western Cape, 2018

Figure 1.4

A comparison between the 2011 and 2019 estimate shows a considerable increase in the dependency ratio from 45.9 in 2011 to 51.2 in 2019; this is projected to increase marginally to 51.6 in 2024.

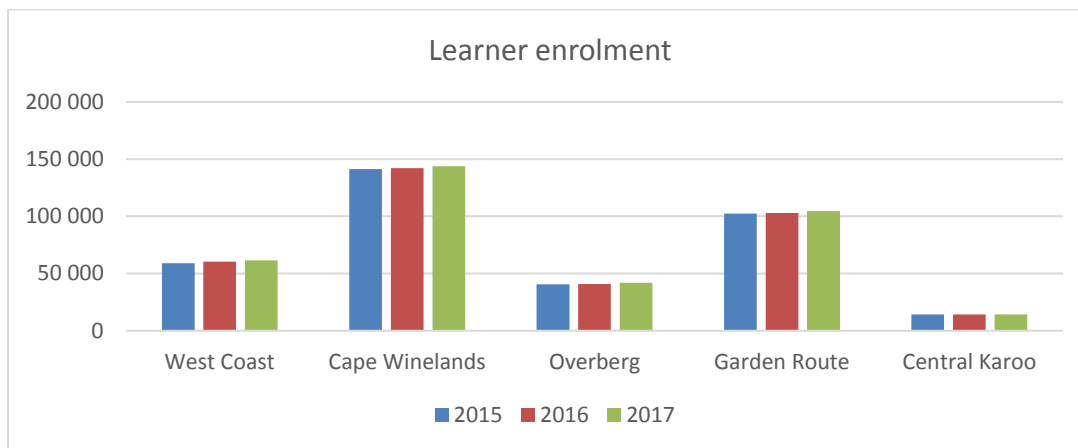
Educational development within the West Coast District

Education within the WCD is emphasised using data on Learner enrolments, Grade 12 dropout rates and matric pass rates. The West Coast recorded an overall increase in learner enrolment.

Table 1.5: Learner Enrolment in the Western Cape District Municipalities

	West Coast	Cape Winelands	Overberg	Garden Route	Central Karoo
2015	58 909	141 263	40 501	102 412	14 182
2016	60 348	142 130	40 841	103 011	14 333
2017	61 602	143 895	41 944	104 500	14 308

Figure 1.5: Learner Enrolment in the Western Cape District Municipalities

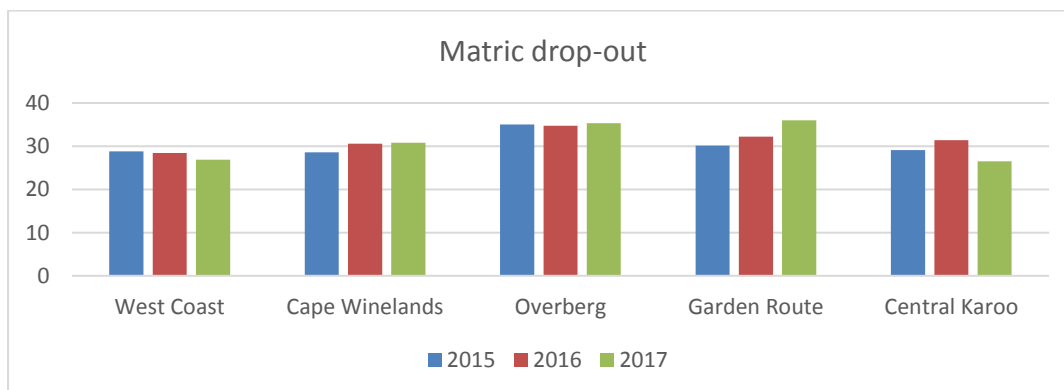


The figure shows an increase of learner enrolment from 58 909 in 2015 to 61 202 in 2017.

Table 1.6: Matric Drop-Out rate

Year	West Coast	Cape Winelands	Overberg	Garden Route	Central Karoo
2015	28.8	28.6	35	30.1	29.1
2016	28.4	30.6	34.7	32.2	31.4
2017	26.9	30.8	35.3	36	26.5

Figure 1.6: Matric Drop-Out rate



The grade 12 drop-out rate for learners within the West Coast District declined marginally from 28.8 per cent in 2015 to 26.9 per cent in 2017.

Health Care

Table 1.5: Health Care Facilities

Area	PHC Clinics		Community Health centres	Community Day Centres	Hospitals		Treatment sites	
	Fixed	Non-Fixed			District	Regional	ART Clinics	TB Clinics
West Coast District	26	37	0	1	7	0	45	74
Western Cape	195	157	10	63	34	5	298	456

The West Coast District area had 26 fixed clinics and 37 mobile primary healthcare clinics. In addition, there was also a community day centre, 7 district hospitals as well as 45 ART and 74 TB treatment clinics/sites.

Table 1.6 West Coast District GDP contribution and average growth rates per municipal area, 2012 – 2017

Municipality	Contribution to GDP (%) 2016	R million value 2016	2006 - 2016	2013-2017 e	2012	2013	2014	2015	2016	2017 e
Matzikama	14.9	40359	2.2	1.4	5.4	2.4	4	0.01	-1.9	2.4
Cederberg	12.7	34412	3.8	3.1	3.6	4.4	5.2	1.4	0.1	4.4
Bergvriër	14.7	40024	3	2.2	2.7	3.4	4.8	0.8	-1.3	3.3
Saldanha Bay	30.6	83217	2.2	2.3	2.2	3	2.7	1.1	0.9	3.8
Swartland	27.1	73685	2.9	2.1	3.2	3.1	4	1.3	-0.3	2.2
Total West Coast District	100	271697	2.7	2.2	3.2	3.2	3.9	1	-0.3	3.2
Western Cape Province		529925	2.6	1.8	2.9	2.6	2.5	1.5	1.2	1

The largest economies in the West Coast District are those of the Saldanha Bay and Swartland municipal area. Saldanha Bay contributed 30.6 percent and 27.1 percent respectively to the West Coast GDP of R27.2 billion in 2016.

Growth in employment trends

Table 1.7 Employment per municipal area

Municipality	Contribution to GDP (%) 2016	R million value 2016	2006 - 2016	2013-2017 e	2012	2013	2014	2015	2016	2017e
Matzikama	14.9	40359	2.2	1.4	5.4	2.4	4	0.01	-1.9	2.4
Cederberg	12.7	34412	3.8	3.1	3.6	4.4	5.2	1.4	0.1	4.4
Bergvriër	14.7	40024	3	2.2	2.7	3.4	4.8	0.8	-1.3	3.3
Saldanha Bay	30.6	83217	2.2	2.3	2.2	3	2.7	1.1	0.9	3.8
Swartland	27.1	73685	2.9	2.1	3.2	3.1	4	1.3	-0.3	2.2
Total West Coast District	100	271697	2.7	2.2	3.2	3.2	3.9	1	-0.3	3.2
Western Cape Province		529925	2.6	1.8	2.9	2.6	2.5	1.5	1.2	1

The Saldanhabay and Swartland municipal areas provide the most employment opportunities in the West Coast District 306 and 27.1 percent of the R27 billion.

Table 1.8 Basic services within the Districts

Community Survey	West Coast District	Cape Winelands District	Overberg District	Garden Route District	Central Karoo District
Total number of households	129 862	236 006	91 835	189 345	21 980
Formal main dwelling	111 389	191 077	75 105	162 325	21 498
	85.80%	81.00%	81.80%	85.70%	97.80%
Water (piped inside dwelling/within 200 m)	125 336	232 605	89 905	183 441	20 893
	96.50%	98.60%	97.90%	96.90%	95.10%
Electricity (primary source of lighting)	120 155	228 650	87 910	178 646	21 345
	92.50%	96.90%	95.70%	94.30%	97.10%
Sanitation (flush/chemical toilet)	122 205	218 483	86 890	181 973	20 979
	94.10%	92.60%	94.60%	96.10%	95.40%
Refuse removal (at least weekly)	108 311	192 974	79 961	168 079	19 964
	83.40%	81.80%	87.10%	88.80%	90.80%

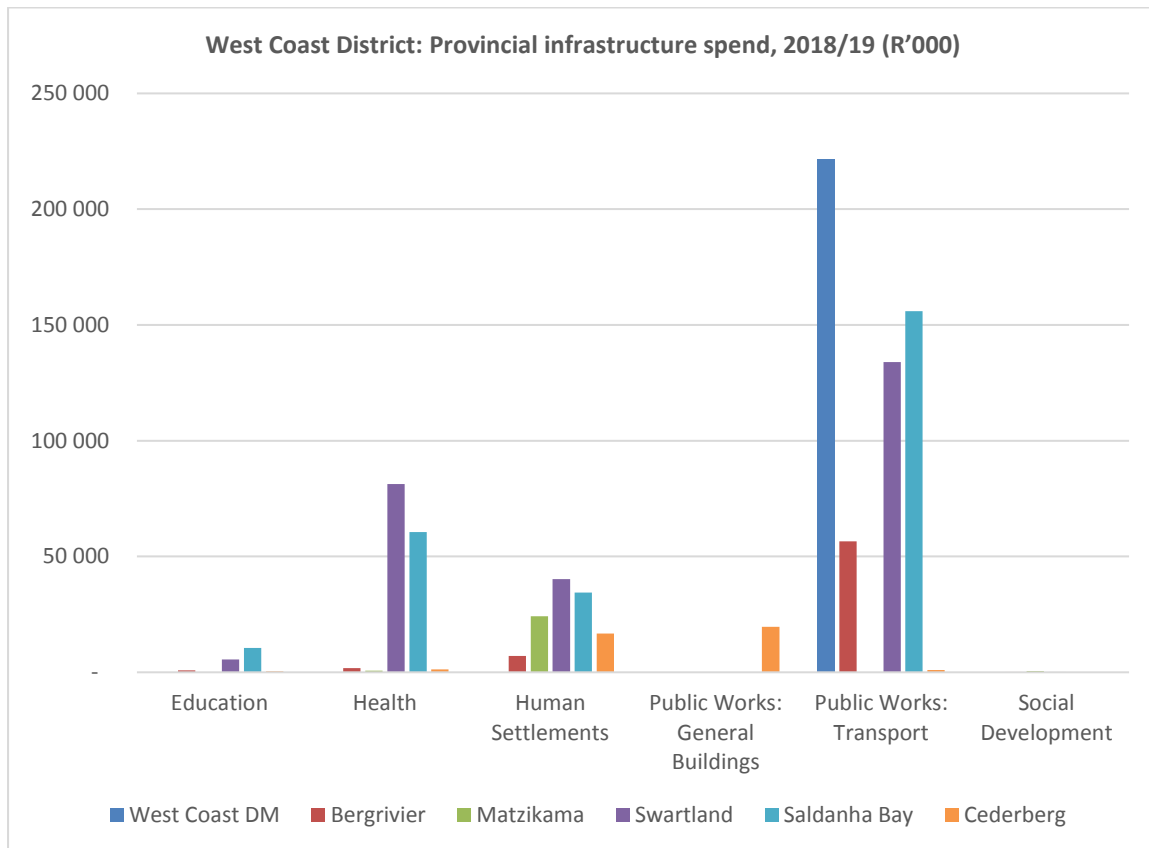
Provincial infrastructure with the West Coast District

Provincial infrastructure spend linked to the WCD Municipality and each of the various local municipalities in the District, will in 2018/19 amount to R875.0 million, the majority of which will be focussed towards road transport (R569.0 million) and health (R145.6 million) projects.

Table 1.9 West Coast District: Provincial infrastructure spend, 2018/19 (R'000)

Department	West Coast DM	Bergvriër	Matzikama	Swartland	Saldanha Bay	Cederberg	Total
Education	0	800	0	5 500	10 500	400	17 200
Health	0	1 770	700	81 250	60 601	1 251	145 572
Human Settlements	0	7 000	24 230	40 220	34 450	16 800	122 700
Public Works: General Buildings	0	0	0	0	0	19 590	19 590
Public Works: Transport	221 726	56 500	0	134 000	156 000	1 000	569 226
Social Development	0	38	569	100	0	0	707
Total	221 726	66 108	25 499	261 070	261 551	39 041	874 995

Figure 1.7 Provincial infrastructure spend



The majority of the provincial infrastructure spend within the WCD will in 2018/19 be directed towards transport and public works. Expanding the road transport network along the N7. Allocations towards transport and public works decrease across the MTREF as projects are concluded.

Significant allocations will also be made towards human settlements (R122.7 million) and smaller allocations towards education (R17.2 million) and social development (R707 000).

The majority of provincial infrastructure investments will in 2018/19 be made towards the Saldanha Bay (R261.6 million) and Swartland (R261.1 million) regions.

1.3 SERVICE DELIVERY OVERVIEW

INTRODUCTION

Access to basic services – water and sanitation

Access to safe water and adequate sanitation in South Africa is a right, protected in the Bill of Rights, Chapter 2 of the South African Constitution. The Bill of Rights states that everyone in the country has a right to access sufficient water and 'to an environment that is not harmful to their health or well-being'. It further states that government 'must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights'. Data regarding the provision of safe water and adequate sanitation are therefore critical in evaluating whether the government is upholding these basic rights.

The delivery of services by the West Coast District Municipality is informed by the powers and functions vested in a District Municipality as contemplated in Sections 156 and 229 of the Constitution of South Africa, Act 108 of 1996, as well Section 84 of the Local Government: Municipal Structures Act, 117 of 1998.

Services like potable water, sanitation, electricity, streets and community services are rendered by the local municipalities. The District is responsible for Environmental Health, Fire Services in terms of section (1)(i) and (j) of the Municipal Structures Act. The District Municipality maintain all gravel roads in the district on an agency basis for the Department of Public Works and Transport of the Western Cape Government.

West Coast District Municipality supplies bulk water to 3 of the 5 local municipalities as well as to various farms in the district.

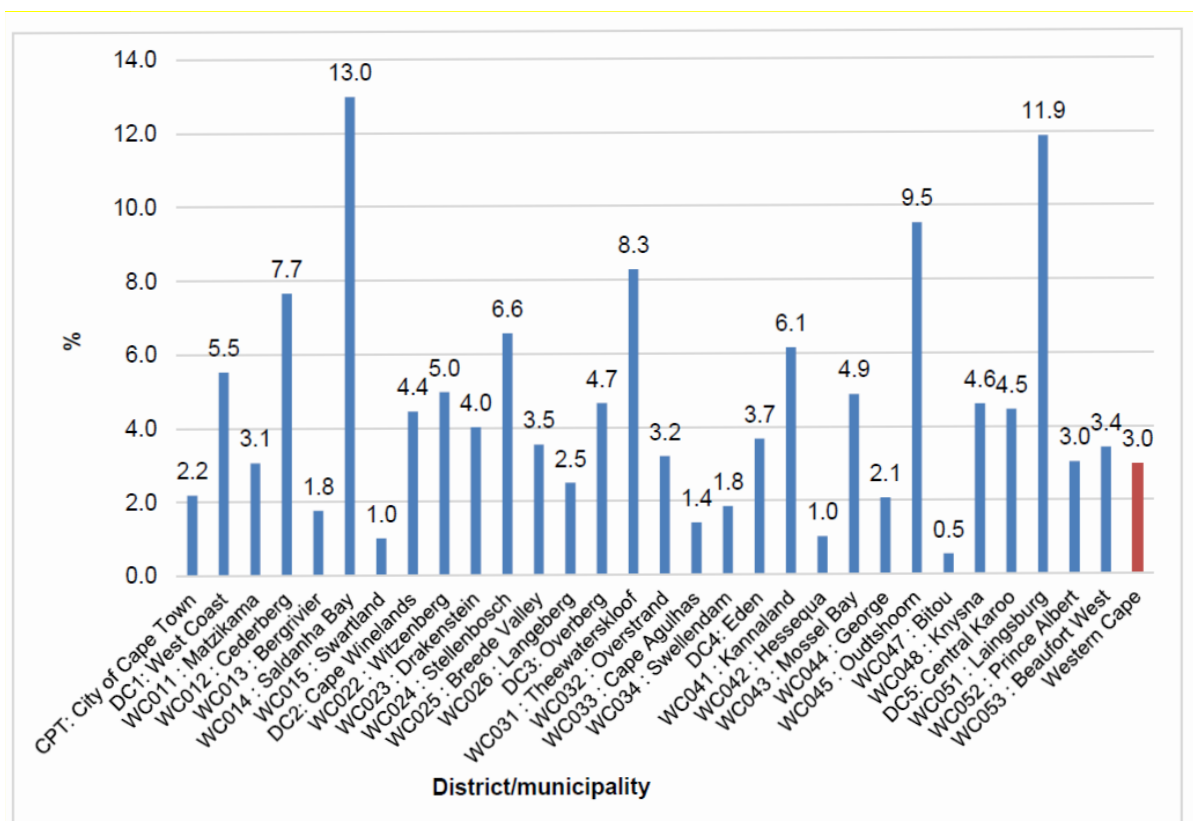
Table 1.3.1 Distribution of household by access to safe drinking water

Code	Municipality	Access to safe drinking water		No access to safe drinking water		Total
		Number	Percentage	Number	Percentage	
WC011	Matzikama	19 145	92.3	1 587	7.7	20 732
WC012	Cederberg	14 140	93	1 069	7	15 209
WC013	Bergvliet	17 742	93.6	1 211	6.4	18 953
WC014	Saldanha	31 915	90	3 535	10	35 450
WC015	Swartland	37 183	95.7	1 669	4.3	38 852
DC01	West Coast DM	120 125	93	9 071	7	129 196

Source: Western Cape Community Survey 2016: STATSSA

Saldanha Bay (10,0%) reported high proportions of households without access to safe drinking water

Table 1.3.2 Distribution of households with no electricity



Source: Western Cape Community Survey 2016: STATSSA

The average of the province is 3 % with Saldanhabay Municipality the highest percentage of 13 % of access of households with no access to electricity.

Table 1.3.3 Distribution of households by main type of toilet facility

Code	Municipality	Flush toilet sewerage system/septic tank	Chemical toilet	Pit latrine / toilet	Bucket toilet	Other	No toilet facility	Total
WC011	Matzikama	19 667	156	210	311	235	242	20 821
WC012	Cederberg	13 489	22	49	249	710	759	15 279
WC013	Bergrivier	18 666	0	45	124	122	116	19 072
WC014	Saldanha	30 469	26	27	4109	327	590	35 550
WC015	Swartland	37 631	29	79	990	99	310	39 139
DC01	West Coast DM	119 922	233	410	5783	1 493	2017	129 861

Source: Western Cape Community Survey 2016: STATSSA

Table 1.3.3 shows the statistic relating to access to basic services – type of toilet facility.

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 INTRODUCTION

The Department of Finance is responsible for the management of the corporate financial services of the municipality in order to ensure maximum utilisation of the available financial resources.

Table 1.12: Financial overview for 2018/2019 (R'000)

Details	Original budget	Adjustment budget	Actual
Income			
Grants	95 170	99 689	96 846
Taxes, levies and tariffs	99 089	96 914	84 547
Other	160 920	172 845	179 011
Sub total	355 179	369 448	360 404
Less expenditure	353 845	378 688	343 179
Net surplus/(deficit)	1 334	(9 241)	17 225

Table 1.13: Operating ratios

Detail	%
Employee cost	51.32
Repairs and maintenance	16.89
Finance charges and depreciation	3.62

Table 1.14: Total capital expenditure over three years (R'000)

Detail	2016/2017	2017/2018	2018/2019
Original budget	11 305	8 965	3 355
Adjustment budget	11 305	9 335	10 426
Actual	10 852	8 106	9 421

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The District Municipality's macro-organisational structure (detailed below) constitutes the Council's policy according to which the micro-organisational structure was developed. The District Municipality consists of the Office of the Municipal Manager and three departments with their respective divisions. The three departments report to the municipal manager.

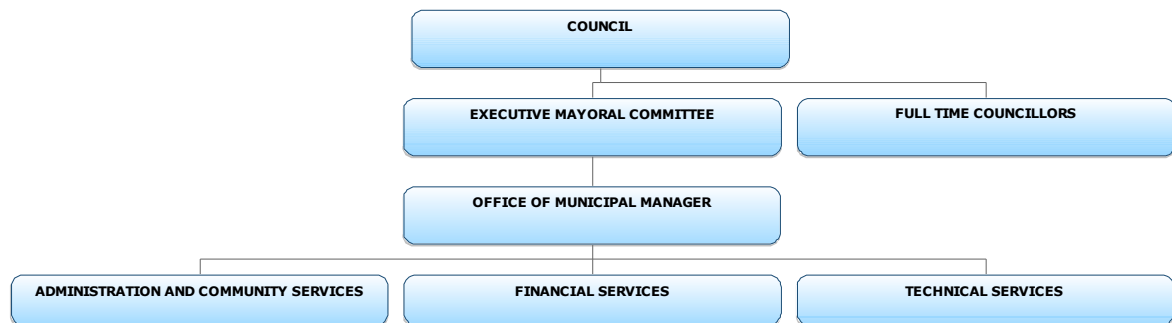


Figure 1.7: Organogram: West Coast District Municipality

The divisions are as follows:

(a) Office of the Municipal Manager

- ☐ Human Resources
- ☐ Internal Auditing
- ☐ Strategic Services
- ☐ Social and Community Development
- ☐ Tourism
- ☐ Public Relations

(b) Department: Administration and Community Services

- ☐ Administration
- ☐ Air Quality
- ☐ Municipal Environmental Health
- ☐ Municipal Environmental Management
- ☐ Disaster Management
- ☐ Fire Services

(c) Department: Financial Services

- ☐ Financial Statements, Reporting and Asset Control
- ☐ Income
- ☐ Expenditure
- ☐ Supply Chain Management
- ☐ Information Technology
- ☐ Ganzekraal Resort

(d) Department: Infrastructure Services

- ☐ Town and Regional Planning
- ☐ Roads Construction
- ☐ Roads Concrete and Re-gravel
- ☐ Roads Maintenance
- ☐ Mechanical Workshops
- ☐ Electrical and Instrumentation Services
- ☐ Mechanical Services
- ☐ Water Purification and Plan Support
- ☐ Water Distribution

The respective departments are responsible for the following functions:

(a) Office of the Municipal Manager

- ☐ Human Resource Development
- ☐ Training
- ☐ Organisational and Workstudy
- ☐ Employment Equity
- ☐ Occupational Health and Safety
- ☐ Employee Assistance Programme
- ☐ Recruitment and Selection
- ☐ Employee Benefits
- ☐ Labour Relations
- ☐ Internal Auditing
- ☐ Internal Audit Risk Management
- ☐ Strategic Management
- ☐ Strategic Programmes
- ☐ Integrated Development Plan / Local Economic Development
- ☐ Social and Community Development
- ☐ Tourism Marketing and Development
- ☐ Public Relations / Media Liaison

(b) Department: Administration and Community Services

- ☐ Archive Services
- ☐ Secretariat
- ☐ Legal Support Services
- ☐ Reprographic Services
- ☐ Cleaning services
- ☐ Municipal Environmental Health
- ☐ Air Quality Control
- ☐ Environmental Management
- ☐ Fire and Rescue Services
- ☐ Disaster Management
- ☐ Administrative Support Services

(c) Department: Financial Services

- ☐ Financial Statements
- ☐ Financial Reporting
- ☐ Budget Control
- ☐ Information Technology
- ☐ Revenue (Income)
- ☐ Expenditure Control
- ☐ Supply Chain Management
- ☐ Asset Control
- ☐ Resort Management

(d) Department: Technical Services

- ☐ Construction of roads
- ☐ Maintenance of roads
- ☐ Water purification
- ☐ Bulk water supply
- ☐ Building maintenance
- ☐ Town and regional planning
- ☐ Mechanical workshops
- ☐ Technical support (electrical, instrumentation, etc.)

1.6 AUDITOR-GENERAL REPORT

INTRODUCTION

Section 4(1)(d) of the Public Audit Act of 2004 states that the Auditor General must audit and report on the accounts, financial statements and financial management of municipalities.

STRATEGIC OBJECTIVE

Strategic goal 5 states that the municipality will strive to ensure good governance and financial viability which supports the Auditor General's constitutional mandate to enable oversight, accountability and governance in the public sector specifically the municipality.

PURPOSE

The Auditor General have audited the financial statements, annual performance report and compliance with key legislation for the 2018/2019 financial year, and to provide an audit opinion on the state of affairs within the municipality.

1.6.1 COMMITMENT TO CLEAN AUDIT TARGET

Management has been committed in ensuring that the clean audit status is maintained. It is for this reason that a Operation Clean audit Status team was developed, who throughout the year, ensured that not only previous years audit findings are address, but also identified emerging risks and implemented controls to address these risks.

This ensured that we remained at the forefront I sustaining our Clean Audit Status.

1.7 STATUTORY ANNUAL REPORT PROCESS

Table 1.7.1: Overview of the statutory annual report process

Section of Legislation	Requirement	Legislative Provision
Section 127, 129, 130 and 131 of the MFMA.	Tabling the audited Annual Report within 6 / 7 months after the end of the financial year.	The Auditor-General's reports are issued during the period of November/December. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed
Section 127, 129, 130 and 131 of the MFMA.	Tabling of the audited Annual Report and Annual financial statements to Council	December
Section 75 of MFMA and Section 21 of the MSA for publication on website	Audited Annual Report is made public, e.g. posted on municipality's website.	December
Section 129 of the MFMA.	Municipal Public Accounts Committee (MPAC) finalises assessment on Annual Report.	December / January
Section 129 of the MFMA.	Council adopts Oversight report.	December / January
Section 75 of MFMA and Section 21 of the MSA for publication on website	Oversight report is made public	The entire process, including oversight reporting and submission to provincial legislators is completed in December / January
Section 132 of the MFMA	Oversight report is submitted to Legislators, Treasuries and Provincial Departments	

COMMENT ON THE ANNUAL REPORT PROCESS

In terms of Section 127 (2) of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003, every municipality must deal with its Annual Report within seven months after the end of a financial year.

A copy of the Draft Annual Report 2018/2019 will be submitted to senior management and the Auditor-General for scrutiny. After the comments of Senior Management has been included, the Annual Report will be submitted to the Auditor-General. The Annual Report will be tabled to the Council for consideration. , The Annual Report will be submitted to the Auditor-General, Provincial Treasury and the Provincial Department responsible for Local Government in the Province. Thereafter the Annual report will be published for public comment. The Municipal Public Accounts Committee (MPAC) will meet to discuss the Annual report, and a recommendation on whether it is approved or rejected will be drafted in the Oversight report within two months after the approval

of the Annual Report. The Oversight and Annual reports will be tabled to Council for approval after all the comments have been considered.

CHAPTER 2

GOVERNANCE

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

The Constitution section 151(3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community, subject to national and provincial legislation.

The Council is controlled by a majority political party. Council is governed by applicable legislation, the Rules of Order and the Code of Conduct.

INTRODUCTION TO GOVERNANCE

In terms of section 52(a) of the Local Government: Municipal Finance Management Act, 56 of 2003 The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The Council combines both the Legislative and the Executive functions. The Council is convened and Chaired by the Speaker. The Council delegates most of its executive functions to the Executive Mayor as the Political Head of the Municipality, who is supported by the Deputy Executive Mayor as well as the Executive Mayoral Committee.

The Administration is headed by the Municipal Manager, who is supported by the Directors to execute the resolutions of the Council as well as programmes and activities.

The Council and Committees established both in terms of Section 80 and Section 79 of the Municipal Structures Act plays an oversight role on the Administration of the Municipality to ensure that commitments in the Integrated Development Plan and Municipal Budget are implemented.

2.1.1 OVERVIEW: COMPREHENSIVE POLITICAL OVERSIGHT WITHIN THE MUNICIPALITY AT

As committee members have developed or are able to develop specialised skills, the quality of the work done by them is potentially of a higher standard than that of larger structures. The composition of committees usually represents all political parties.

Sections 79 and 80 of the Local Government: Municipal Structure Act, Act 117 of 1998 deal with non-executive and executive committees. Section 79 committees are non-executive committees that may be established for the effective and efficient performance of any of a municipal council's functions, or the exercise of any of its powers, provided that the municipal council determines the functions of a committee and delegates duties and powers to it. The council must appoint the chairperson, and may authorise a committee to co-opt advisory members who are not members of the council within the limits determined by the council. The Council may also determine a committee's procedures.

2.1.1 COMMITTEES OF THE COUNCIL

Section 80 committees are provided to assist the Executive Committee or Executive Mayor. If a Municipal Council has an Executive Committee or Executive Mayor, it may appoint, in terms of Section 79, committees of councillors to assist the executive committee or executive mayor. Such committees may not in number exceed the number of members of the executive committee or mayoral committee. The executive committee or executive mayor appoints a

chairperson for each committee from the executive committee or mayoral committee, and may delegate any powers and duties of the executive committee or executive mayor to the committee. Section 80 committees must report to the executive committee or executive mayor in accordance with the directions of the executive committee or executive mayor.

2.1.2 AUDIT AND PERFORMANCE AUDIT COMMITTEE

Section 166(1) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) states "that each municipality or municipal entity must have an Audit Committee", and Section 166(4) (a) of the MFMA states that "an Audit Committee must consist of at least three persons with appropriate experience". The Audit Committee is an independent advisory body and presently consists of five members who are appointed by the Council. With reference to the West Coast District Municipality Audit Charter, the Committee assists the Council by providing inputs to ensure effective systems that complement service delivery, the safeguarding of municipal assets, and the maintenance of financial records, risk management, corporate governance and an effective internal control system. The Audit Committee also investigates matters within the scope of the Committee's duties if referred to by Council or the municipal manager.

Furthermore, the Audit Committee provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

2.1.3 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

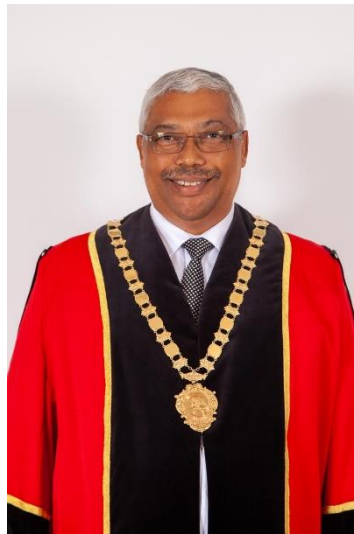
The purpose of the MPAC is to serve as an oversight committee to exercise oversight over the executive obligations of council. The MPAC will assist council to hold the executive to account, and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC will help to increase council and public awareness of the financial and performance issues of the municipality.

The MPAC is established in terms of section 79 of the MSA and performs an oversight function on behalf of council and is not a duplication of other committees of council, such as the Audit Committee.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the accounting officer. The MPAC will report to Council on the activities of the committee. The report must include detail of its activities of the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report.

The Committee is responsible for the detailed analysis and review of the Annual Report and then the drafting of an oversight report that may be taken to full Council for discussion. This committee receives reviews made by the public. The Municipality takes into account all costs of the various for reviewing the Annual Report and preparing an Oversight report – the cost needs to be balanced against the need for transparency, good governance practice and accountability, the capacity of the Municipality and the need for an effective process within the time allowed.

2.1.4 MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE



**EXECUTIVE MAYOR
ALD JH CLEOPHAS**



**SPEAKER
CLLR R SWARTS**



**EXECUTIVE DEPUTY-MAYOR
CLLR RW STRYDOM**

	 <p><i>(Resigned 20 September 2018)</i></p>	 <p><i>(Appointed as member of EMC February 2019)</i></p>
<p>ALD FJ SCHIPPERS Chairperson, Portfolio Committee: Finance</p>	<p>CLLR J MEYER Chairperson, Portfolio Committee: Strategic Support and Economic Development</p>	<p>CLLR JA ENGELBRECHT Chairperson, Portfolio Committee: Strategic Support and Economic Development</p>

	
<p>CLLR V MCQUIRE Chairperson, Portfolio Committee: Administration and Community Services</p>	<p>ALD BJ STANLEY Chairperson, Portfolio Committee: Infrastructure Services</p>

2.1.5 FUNCTION: EXECUTIVE AUTHORITY AND COUNCIL

The West Coast District Municipality consists of 25 councillors of which 40% have been directly elected (proportional). Of the remaining representation, 60% are members who have been elected from the municipalities within the District Municipality's area of jurisdiction.

The 60% are representatives from the following municipalities:

WC011	Matzikama Municipality	2 representatives
WC012	Cederberg Municipality	2 representatives
WC013	Bergvriër Municipality	2 representatives
WC014	Saldanha Bay Municipality	5 representatives
WC015	Swartland Municipality	4 representatives

The Mayoral Committee consists of the chairs of the respective portfolio committees which have been established in terms of Section 80 of the Local Government: Municipal Structures Act (117 of 1998).

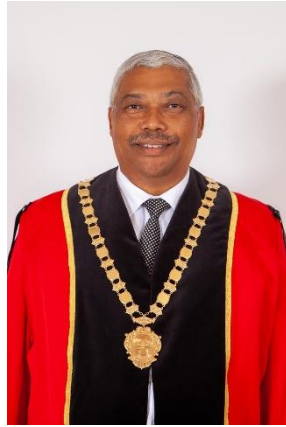
Mayor	Ald JH Cleophas
Deputy mayor	Cllr RW Strydom
Speaker	Cllr RE Swarts

The Section 80 committees advise and make recommendations to the Executive Mayoral Committee and Council.

The following Section 80 committees have been established and the chairs of these committees are as follows:

Portfolio Committee: Strategic Support and Economic Development	Cllr JA Engelbrecht (February 2019) Cllr J Meyer (September 2018)
Portfolio Committee: Finance	Ald FJ Schippers
Portfolio Committee: Administration and Community Services	Cllr VD McQuire
Portfolio Committee: Infrastructure Services	Ald B Stanley

Members of the Council are as follows:



Executive Mayor: Ald JH Cleophas
DA: PR for West Coast District Municipality



Speaker: RE Swarts
DA: PR for West Coast District Municipality



Executive Deputy Mayor:
Cllr RW Strydom
DA: PR for West Coast District Municipality



Member of EMC
Ald FJ Schiipers
DA: Appointed Saldanha Bay Municipality



Member of EMC
Ald BJ Stanley
DA: Appointed Swartland Municipality



Member of EMC
Cllr VD McQuire
DA: Appointed Swartland Municipality



Member of EMC
Cllr JA Engelbrech
DA: PR for West Coast District Municipality

 <p>Cllr SA Gxabalashe ANC: PR West Coast District Municipality</p>	 <p>Ald R Skei ANC: PR West Coast District Municipality (Resigned 01 April 2019)</p>	 <p>Ald E Plaatjes ANC: PR West Coast District Municipality (Appointed 03 May 2019)</p>
 <p>Cllr F Kamfer ANC: PR West Coast District Municipality</p>	 <p>Cllr G Stephan DA: PR West Coast District Municipality</p>	 <p>Cllr J Alexander DA: PR West Coast District Municipality</p>
 <p>Cllr J Hoop MPAC Chairperson DA: PR West Coast District Municipality</p>	 <p>Cllr NM Ngobo ANC: Appointed Matzikama Municipality</p>	 <p>Cllr M Carosini DA: Appointed Matzikama Municipality</p>



Cllr Qunta
ANC: Appointed Cederberg Municipality



Cllr J Meyer
DA: Appointed Cederberg Municipality
(Resigned 20 September 2018)



Cllr RV Pretorius
DA: Appointed Cederberg Municipality



Ald SIJ Smit
ANC: Appointed Bergrivier Municipality



Cllr JC Botha
DA: Appointed Bergrivier Municipality



Ald E Nackerdien
ANC: Appointed Saldanhabay Municipality




Cllr EB Mankay
ANC: Appointed Saldanhabay Municipality



Ald S Scholtz
(Resigned 14 June 2019)
DA: Appointed Saldanhabay Municipality



Cllr M Schrader
DA: Appointed Saldanhabay Municipality

 <p>Cllr BJ Penxa ANC: Appointed Swartland Municipality</p>	 <p>Cllr N Smit DA: Appointed Swartland Municipality (Resigned 21 January 2019)</p>	 <p>Cllr CH Papers DA: Appointed Swartland Municipality</p>
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The Council meets once per quarter as prescribed in terms of Section 18 (2) of the Local Government: Municipal Structures Act, Act 117 of 1998. The Council has delegated powers and functions (except those functions which, according to Section 160 (2) of the Constitution which cannot be delegated, also to the Executive mayor. In this way, effective service delivery can be accelerated.

See **Appendix A** where a list of Councillors may be found, as well as committee allocations and council meeting attendance figures.

See **Appendix B** which sets out committees and committee purposes.

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION

In terms of Section 60(b) of the MFMA, the municipal manager of a municipality is the accounting officer of the municipality for the purposes of this act and must provide guidance on compliance with this act to political structures, political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

OFFICE OF THE MUNICIPAL MANAGER



**MUNICIPAL MANAGER
MR DC JOUBERT**

DIRECTORS OF THE WEST COAST DISTRICT MUNICIPALITY



**DIRECTOR: ADMINISTRATION
AND COMMUNITY SERVICES
MR W MARKUS**



**DIRECTOR: FINANCE
DR JCP TESSELAAR**



**DIRECTOR: TECHNICAL
SERVICES
MR H MATTHEE**

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS FOR THE 2018/2019 FINANCIAL YEAR

2.3.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

DRDLR MINMEC

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

1. Western Cape Districts Integrated Forum
2. Western Cape IDP innovation group (Ad-Hoc)
3. Premiers Co-ordinating Forum (PCF)
4. MinMay
5. MinMaytech
6. Western Cape MM Forum
7. Department of Local Government Provincial IDP Managers Forum
8. DEDAT LED Managers Forum
9. Department of Local Government Provincial Public Participation Forum

2.3.3 RELATIONSHIPS WITH MUNICIPAL ENTITIES

Bi-annual Bi-Lateral engagements between District and Local Municipalities

2.3.4 DISTRICT INTERGOVERNMENTAL STRUCTURES

1. District Co-ordinating Forum (DCF)
2. District Co-ordinating Forum (DCFTECH)
3. IDP/ LED Managers forum
4. District Public Participation Forum
5. IDP Co-ordinating Committee
6. District Agri-Parks Operational Task Team (DRDLR)

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 15(b) of the Local Government: Municipal Systems Act 32 of 2000 requires a municipality to establish and organise its administration to facilitate and cultivate a culture of accountability among its staff. Section 16(i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

COMMENT ON PUBLIC ACCOUNTABILITY

Public participation, public accountability and citizen engagement are achieved through a structured process of targeted public stakeholder engagement. This process is driven in conjunction with all the local municipalities in the District, using a shared platform of public engagement at the municipal level, and is further enhanced through direct engagements with the local municipalities in the District. In this regard, priority issues emanating from the local municipal areas are incorporated into the strategic planning of the District Municipality and, where applicable, referred to the relevant sector department.

In addition, the West Coast District Municipality promotes and supports district-wide public participation and the mobilisation of civil society through initiatives aimed at strengthening the functioning of ward structures throughout the region.

2.4 PUBLIC MEETINGS

Table 2.1: List of public meetings held during 2018/2019

Nature and purpose of meeting	Date of events	Participating municipal councillors (N)	Participating municipal administrators (N)	Community members attending (N)	Dates and manner of feedback given to community
IDP/LED Meeting / IDP Coordinating Committee meetings (utilised for IDP process)	26 July 2018 29 March 2019	0	6	0	Through IDP document
Prov IDP Managers Forum/IDP Indaba – West Coast (utilised for IDP process)	6-7 December 2018 6-7 December 2018 28 February – 1 March 2019 29 March 2019 6-7 June 2019	0	5 6 6 6 6	0	Through IDP document
West Coast Public Participation meeting	21 June 2019	0	6	0	Through IDP document

2.5 INTEGRATED DEVELOPMENT PLAN PARTICIPATION AND ALIGNMENT

INTRODUCTION

The planning framework for the WCDM is used for improving inter-governmental alignment and service delivery integration.

At the district municipality level, the strategic objectives have been derived from those regional development imperatives that confront the district at present and will continue to confront the district.

Table 2.2: Integrated Development Plan: Participation and alignment criteria

IDP participation and alignment criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs*, development strategies?	Yes
Does the IDP have multiyear targets?	Yes
Are the above points aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarters' aligned reports submitted within stipulated timeframes?	Yes
* Section 26 of the Municipal Systems Act 2000 * Key performance indicators	

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

INTRODUCTION

STRATEGIC OBJECTIVE

Strategic goal 5 states that the municipality will strive to ensure good governance and financial viability. Council is responsible for the total process of risk management, as well as for forming its own opinion on the effectiveness of the process. Management is accountable to Council for designing, implementing and monitoring the process of risk management, and integrating it into the day-to-day activities of the municipality.

PURPOSE

The purpose of risk management is to identify potential problems before they occur so that risk-handling activities may be planned and invoked as needed across the life of the municipal projects to mitigate adverse impacts on achieving the municipality's objectives.

CHALLENGES

The embedding of risk management throughout the municipality is still evolving.

PERFORMANCE HIGHLIGHTS

Annual risk workshops were held to update the strategic and operational risk registers of the municipality in line with the IDP applicable to the financial year and consider risks in the current municipal environment.

Progress on action plans were continuously monitored and quarterly sessions were held with each director to update their risk registers.

Quarterly risk reports were submitted to the Fraud and Risk Committee to address the following areas:

- ☐ A status report on the progress made against the approved risk implementation plan;
- ☐ The updated strategic and operational risk registers;
- ☐ All risks that are outside the agreed risk tolerance and risk appetite level;
- ☐ Emerging risks identified; and
- ☐ Any relevant risk management information/intelligence.

The minutes of the FRC meetings is submitted on a quarterly basis to the Audit and Audit Performance Committee (AAPC) and Council considers risk reports and minutes of the AAPC meetings.

Council approved the risk appetite and risk tolerance levels for different risk categories. The residual risk levels for each risk is monitored against these levels to ensure appropriate actions are implemented when required. Risks above the appetite and tolerance levels are reported and monitored by the Fraud and Risk Committee.

Training was provided to management in the various departments at the Municipality, the newly constituted Fraud and Risk Committee and the Audit Committee.

A Fraud and Risk Committee self-assessment was performed and areas identified for further improvement.

COMMENTS

Council has approved the West Coast District Municipality's (WCDM) risk management strategy, risk management policy and fraud and risk committee terms of reference.

Council is responsible for the overall governance of risk within the municipality and has delegated this responsibility to the Municipal Manager (MM) and the Fraud and Risk Committee (the FRC). The MM, who is ultimately responsible for the municipality's risks, has delegated this role to the Chief Risk Officer (CRO) (Outsourced Risk Service Provider – Nexia SAB&T) and Management.

The WCDM has communicated, in the approved risk management policy, its commitment to enhancing corporate governance by entrenching Enterprise-wide Risk Management (ERM) into the municipality to ensure that appropriate focus is placed on important tasks and key risks. This commitment is demonstrated through the leadership of the WCDM in supporting and driving risk management in the municipality.

	Risk Management
1.	Developed appropriate risk management policies and procedures.
2.	Analysing risk management related documentation as provided by the municipality.
3.	Investigate risk management best practices and develop risk management procedures.
4.	Develop/Review criteria to be used to evaluate impact and likelihood.
5.	Risk assessments update of the municipality's risk registers. The registers include environmental, strategic, operational, financial and fraud risks.
6.	Provide input to the Strategic Manager relating to the integration of risk management processes and key risks in the IDP and budget process
7.	Assisted management to identify all the critical risks and evaluate accordingly.
8.	Prepared a consolidated risk register
9.	Monitoring of critical risks and its impact
10	Training, awareness and communication
11	Continuous risk assessments and reporting to the municipal manager ,Fraud and Risk Committee and Audit Committee
12	Monitoring of risk management processes and quarterly reporting
13	Maintenance of risk register
14	Facilitate the meeting and procedures regarding risk committees

15	Advisory regarding risk management to the municipality
16	Support to internal Audit unit regarding risk management
17	Reporting to the management team, the audit committee and the risk committee.
18	Review and management of the risk management system
19	Coordinate and facilitate the risk assessments.
20	Monitor the implementation of response strategies
21	Submit the RM Strategy with the RM implementation Plan, Fraud Prevention Policy and Strategy to the Risk management committee for review and recommendation.
22	Monitoring the iComply system and send quarterly reports to municipal manager

Table 2.6.1: Financial performance: Risk management (R'000)

Financial Performance: Risk Management					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	-	-
Expenditure:					
Employees	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Other	292 523	293 030	292 985	166 921	43.03%
Total Operating Expenditure	292 523	293 030	292 985	166 921	43.03%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.42.6

2.7 ANTI-CORRUPTION AND ANTI-FRAUD

ANTI-CORRUPTION AND ANTI-FRAUD STRATEGY

STRATEGIC OBJECTIVE

Strategic goal 5 states that the municipality will strive to ensure good governance and financial viability. The fraud prevention strategy outlines a high level plan on how the municipality will go about implementing its fraud prevention policy.

The West Coast District Municipality has adopted a zero tolerance stance when it comes to fraud and corruption and this is further enhanced by our fraud prevention policy.

PURPOSE

The purpose of the anti-fraud policy is to set out the municipality's stance on fraud and corruption and the responsibilities for its prevention and detection.

CHALLENGES

The municipality did not have a dedicated whistleblowing hotline that handled enquiries specific to the municipality.

We relied on the National Hotline to send to us all reported cases, but this at times took long to reach us or we received no correspondence from them to indicate if there were any cases reported, relating to the municipality.

PERFORMANCE HIGHLIGHTS

On 1 April 2019, with the assistance from Provincial Treasury, the municipality secured funding to obtain their own Whistle Blowing hotline with contact number 0860 004 009 or westcoast@behonest.co.za.

Cases reported to this number/email can be made anonymous and whistle-blowers has the assurance that their will identity will be protected, should they report any incidents of fraud, corruption, theft, misconduct or unethical behaviour.

This number is made freely available not only to our municipality but all local municipality's in the region, should they wish to make use of it.

COMMENTS

We can safely say that since the inception of this whistle blowing hotline, no cases has been reported up until 30 June 2019.

This further strengthens our commitment to improve our processes when it comes to zero tolerance to dealing with fraud and corruption within our region.

2.8 SUPPLY CHAIN MANAGEMENT (APPENDIX I)

INTRODUCTION

SCM system is premised on section 217 of the SA Constitution, which must be fair, equitable, transparent, competitive and cost-effective.

The SCM Policy is reviewed annually and the SCM regulations was last reviewed, amended and adopted by the West Coast District Municipality at the General Council meeting of 27 March 2019, ITEM 19/03/17/9.1.2 and complies with the prescribed framework as set out in section 112 of the MFMA and the implementation checklist as set out in circular 40 of the MFMA.

STRATEGIC OBJECTIVE

That all officials and other role players in the supply chain management system of the West Coast District Municipality implement the SCM Policy in the way that –

- (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the MFMA;
- (b) is fair, equitable, transparent, competitive and cost effective;
- (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- (d) is consistent with other applicable legislation;
- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

PURPOSE

That supply chain management within the West Coast District Municipality be used for –

- (a) procures goods or services;
- (b) disposes goods no longer needed;
- (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

CHALLENGES

The implementation of the National Treasury instruction notes on local content and production with specific reference to the protective clothing for the Fire Services. The Fire Services have certain international standards that need to be adhered to.

Compliance to Section 13 G of the BEE Act with regards to the submission of information in relation to a B-BBEE Compliance Report.

PERFORMANCE HIGHLIGHTS

The effective implementation of SCM within the West Coast District Municipality.
The hosting of the 2nd SCM & LED Indaba within the West Coast Region with collaboration with the Local Government SCM Unit at Provincial Treasury.
Being involved in the SCM District approach with the hosting of District SCM Forums within the West Coast District Region.

COMMENTS

The Municipality ensures that the SCM processes is fair, transparent, equitable, competitive and cost effective.

2.9 BY-LAWS

The Municipal Systems Act 2000 S11 (3)(m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. All by-laws go through a public participation process.

Table 2.4: By-laws published in the 2018/2019 financial year

Date published	Government gazette number	Name of by-law
08 May 2019	Provincial Gazette Extra Ordinary Nr 8078	West Coast District Municipality: Manual on the Promotion of Access to Information

COMMENTS ON BY-LAWS

Section 156 (2) of the Constitution provides that a municipality may make and administer by-laws for the effective administration of the matters, which it has the right to administer.

Section 13 of the MSA provides for the publication of a by-law in the Provincial Gazette after being passed by a Municipal council.

2.10 WEBSITES

The Municipality's website address is <https://www.westcoastdm.co.za>. The website is maintained internally and all information required by Section 75(1) of the Municipal Finance Management Act, applicable to the municipality, is placed on the website. The municipal website is a key communication mechanism in terms of service offering information sharing and public participation.

Table 2.5: Municipal website: Content and currency of material

Documents published on the Municipality's/entity's website	Yes/No	Notes
Current annual and adjustments budgets and all budget-related documents	Yes	
The previous annual report 2017/2018	Yes	
The annual report 2018/2019 to be published		Date approved
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	
All service delivery agreements	Yes	
All long-term borrowing contracts	Yes	
All supply chain management contracts above a prescribed value for 2018/2019	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14 (2) or (4) during 2018/2019	Yes	
Contracts agreed to which subsection (1) of Section 33 apply, subject to subsection (3) of that section	Yes	
Public-private partnership agreements referred to in Section 120	None – Not applicable	
All quarterly reports tabled in the Council in terms of Section 52(d) during 2018/2019	Yes	
<i>Note: The Municipal Finance Management Act S75 sets out the information that a municipality must include in its website a/s detailed above.</i>		

2.10.1 COMMENT: MUNICIPAL WEBSITE CONTENT AND ACCESS

Section 21 (b) of the Systems Act requires municipalities to establish its own official website. The municipal website is an integral part of the municipality's communication infrastructure and strategy by making current information available. This serves as a tool for community participation, improved stakeholder involvement and stakeholder monitoring and evaluation of municipal performance.

Municipalities are required to place all information that must be published in terms of the Municipal Systems Act, Act 32 of 2000 and the Municipal Finance Management Act, 56 of 2003 (MFMA) on the Website. Section 75 of the MFMA specifies which documents must be published on municipal websites.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

INTRODUCTION

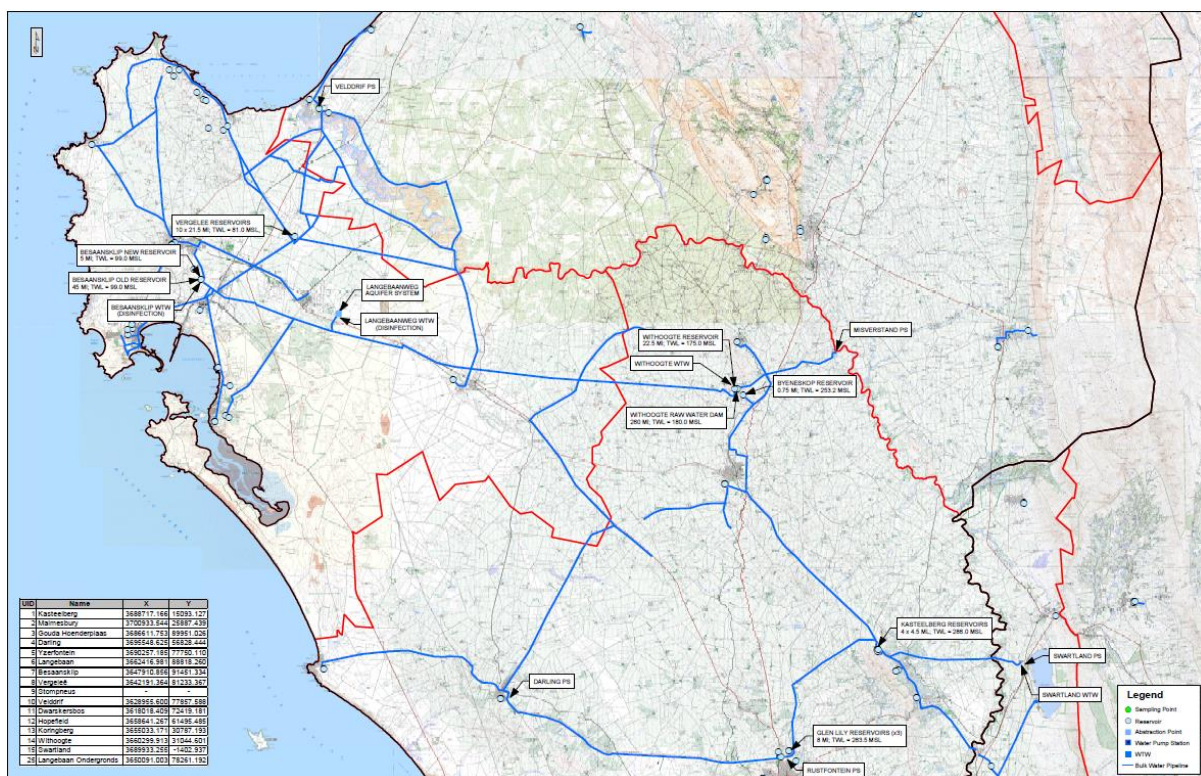
The West Coast District Municipality is responsible for the delivery of basic services in terms of bulk water provision to local municipalities, maintenance of provincial roads on an agency basis for the Western Cape Department of Transport, Public Works, spatial planning and planning on a regional basis. No households are provided with basic services by the District Municipality.

3.1 WATER PROVISION

3.1.1 INTRODUCTION

The West Coast District Municipality is the bulk water services provider for the southern West Coast region and provides potable water to 22 towns and 995 farms in the region through an extensive bulk distribution system.

Figure 3.1: Map of the area of jurisdiction: West Coast District Municipality



The system consists of the Swartland Scheme in the south of the region and the Management Scheme in the north. The Swartland Scheme supplies bulk water from the Voëlvllei Dam via the Voëlvllei Water Treatment Works to the towns of Hermon and Gouda in the Drakenstein Municipal area and to the towns of Riebeeck West, Riebeeck Kasteel, Malmesbury (including Chatsworth, Riverlands, Abbotsdale and Kalbaskraal), Darling, Yzerfontein, Moorreesburg and Koringberg in the Swartland Municipality.

The Misverstand Scheme supplies bulk water from the Misverstand Dam via the Withoogte Water Treatment Works to the towns of Velddrif and Dwarskersbos in the Berg River Municipality and to Hopefield, Langebaan, Saldanha Bay, Vredenburg, Paternoster, St Helena Bay and Stompneusbaai in the Saldanha Bay Municipality. The Misverstand Scheme is augmented with extraction from the Langebaan Road aquifer at Langebaan Road.

Blue Drop awards were received in the years 2009, 2010, 2011 and 2012 for both these systems, as well as for the Gouda system. The West Coast District Municipality also received awards for the fourth best blue drop performance nationally, as well as for the third best provincially. Blue drop evaluation has been done from 2013, every second year.

two systems are interlinked and operated as an integrated system. The received additional allocation (for the next 20 years till 2037) for the system are indicated in the table below.

The two systems are interlinked and operated as an integrated system. The received additional allocation (for the next 20 years till 2037) for the system are indicated in the table below.

Table 3.1.1: Additional Water allocation, 2017–2037

Abstraction Point	Water use activity	Max volume	Water Service Authority	Property Description	Coordinate	2017/2018 abstraction
		m3/annum	WSA			m ³ /annum
Voëlvlei Dam	Taking water from Berg River	7 900 000	Swartland	Portion 1 of the Farm Sandleege 201	S 33°20'48.2" E 19°00'53.7"	
		300 000	Drakenstein			
Total Swartland Scheme		8 200 000				4 282 906
Misverstand Dam	Taking water from Berg River	20 427 000	Saldanha Bay	Portion 9 (a portion of portion 8) of farm Misverstand 333	S 33°01'06.7" E 18°47'11.4"	
		1 573 600	Swartland			
		1 439 400	Berg River			
Total Misverstand Scheme		23 044 000				12 129 606
Langebaan Aquifer	Taking water from Langebaan Aquifer	1 350 000 (1 500 000-10%) 4 000 m3/d	Saldanha Bay	Portion 0 of the farm Klipfontein 139 Malmesbury	S 32°59'14.90" E 18°11'23.79"	

T3.1.1

3.1.2 GROWTH RATES In order to prioritise upgrades to the West Coast District Municipality system, a future compounded growth rate for the Withoogte and Swartland systems were

determined based on historic demands from 1995 to date for the respective systems. A compounded growth rate of 3.5% was adopted for planning for the Withoogte system and 2.8% for the Swartland system.

In order to ensure sustainable economic development in the West Coast region, where especially Malmesbury and the Saldanha Bay area have been identified as high growth potential areas, the West Coast District Municipality started with a comprehensive feasibility study in 2007 to identify a sustainable long-term alternative water source for the region. Further, the Master Plan was updated in June 2013 owing to the high growth in the region.

The Master Plan June 2013 entails the updating of existing computer models for the Withoogte and Swartland water distribution systems, the establishment of computer models for the rural water distribution systems in the jurisdiction area of the West Coast District Municipality, the linking of these models to the latest water meter data and analysis of water demand based on the treasury's financial system, followed by evaluation and master planning of the water

distribution systems and the posting of all information onto an Infrastructure Management Query Station.

3.1.3 DROUGHT STATUS AND RESTRICTIONS

Western Cape Water Supply System

West Coast District Municipality, City of Cape Town (CCT) and Agriculture are the major water users in the Western Cape Water Supply System (WCWSS). Department Water and Sanitation are the custodian of this system and managed it with water users through a WCWSS Task team.

Figure 3.1.2 Water supply system of the Western Cape

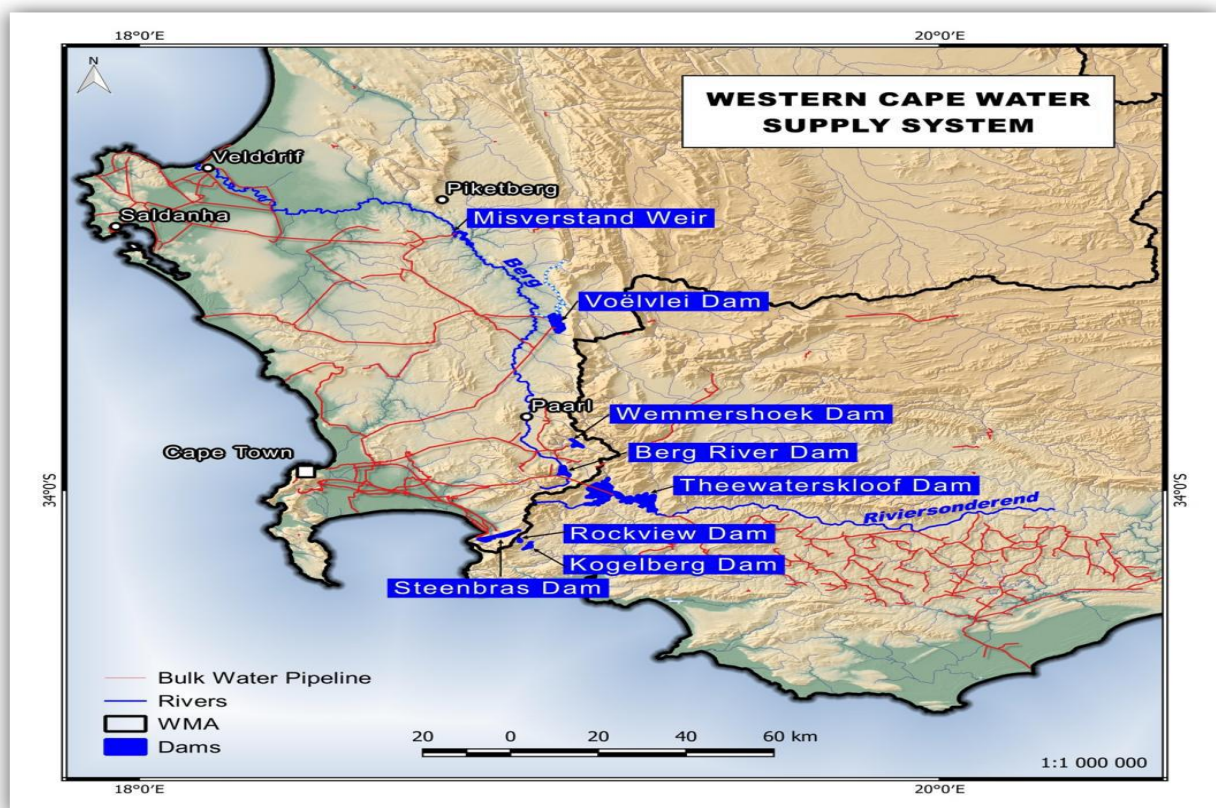
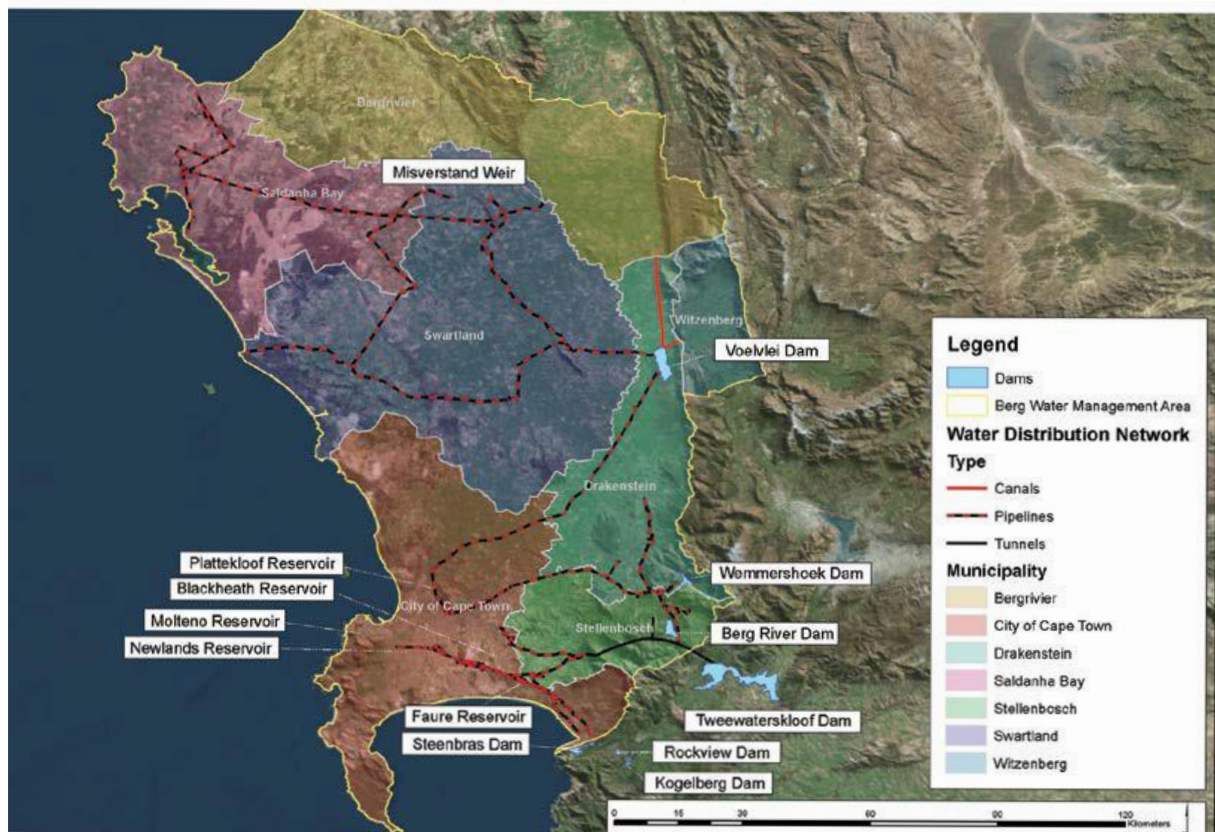


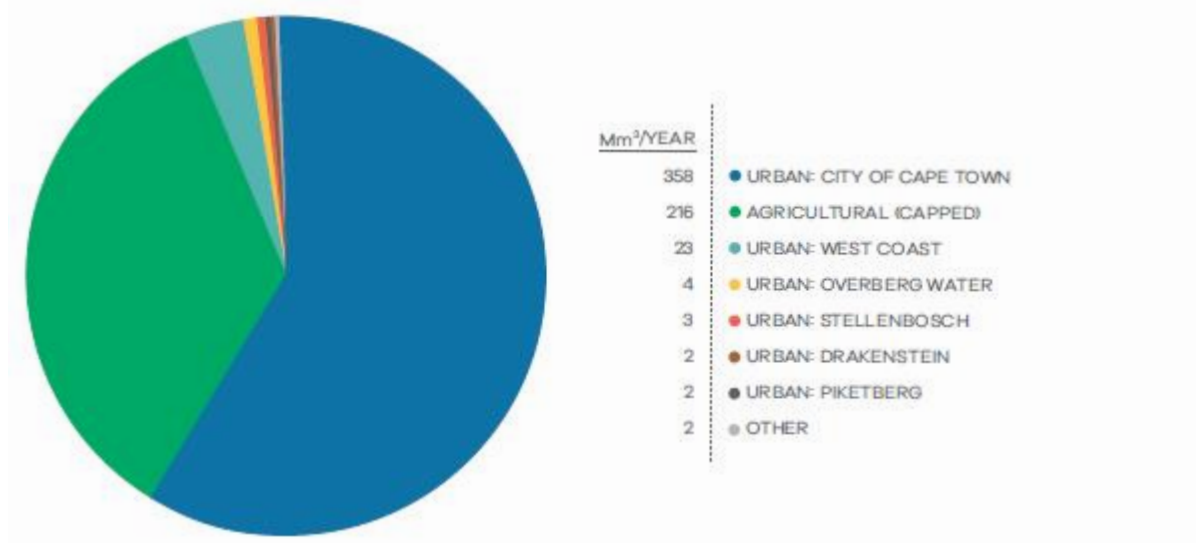
Figure 3.1.3 Western Cape Water Supply System



Source: *Water: Market Intelligence Report 2019*

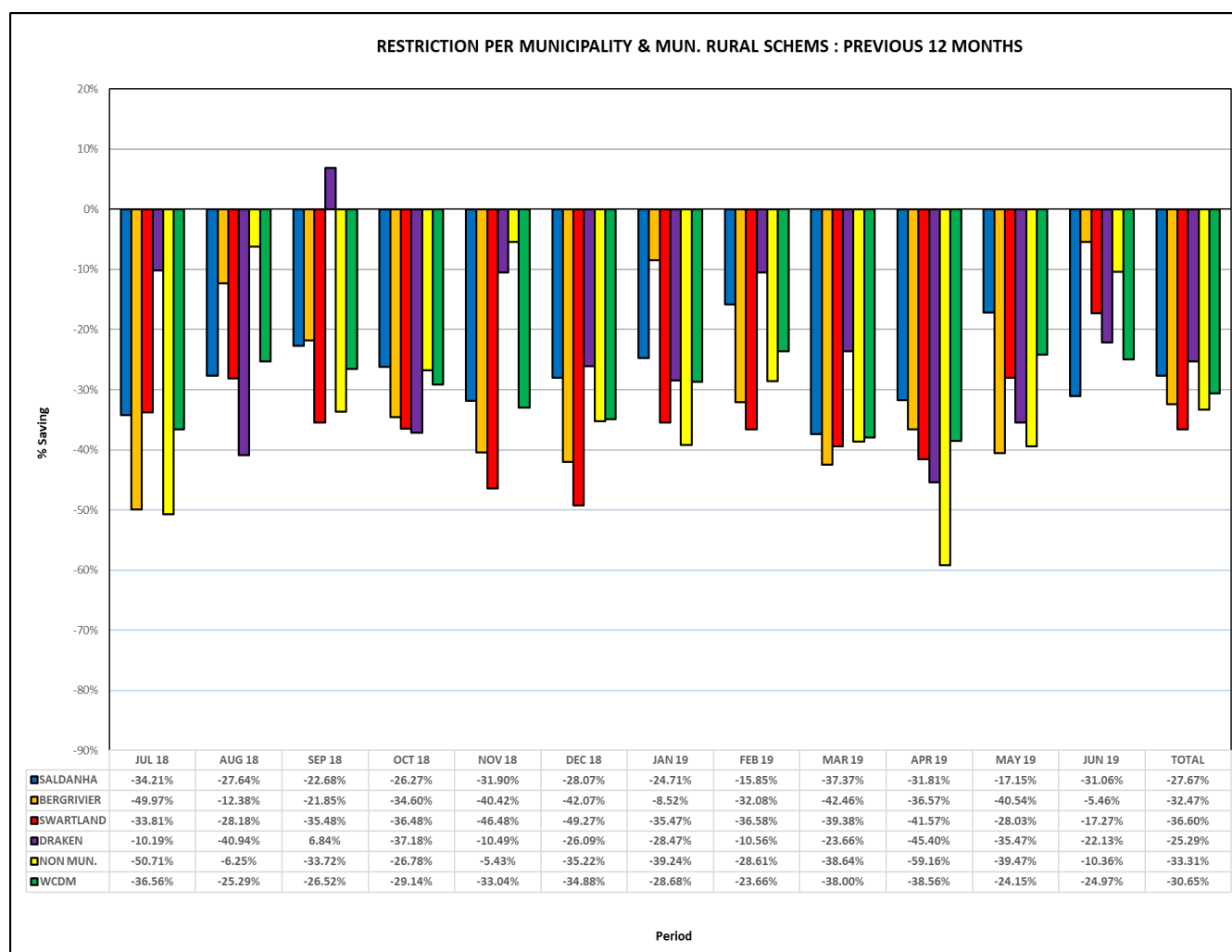
As shown in the figure above the WCWSS is a complex, interlinked system of dams, pipelines, and distribution networks. The system supplies water to CoCT, West Coast District Municipality (which supplies water to Swartland, Saldanha Bay, and Berggrivier local municipalities), Stellenbosch Local Municipality, and certain agricultural users.

Figure 3.1.4: Overview of WCWSS allocations by type



Source: *Water: Market Intelligence Report 2019*

RESTRICTIONS PER MUNICIPALITY & MUN. RURAL SCHEMES (PREVIOUS 12 MONTHS)



Division of Water Sales

SUMMARY OF MUN AND NON MUN & RURAL SCHEMES 'S COVERAGE:		
MONTHLY DISTRIBUTION JUNE 2019		
SALDANHA MUNICIPALITY	822 370	58.90%
BERGRIVIER MUNICIPALITY	60 191	4.31%
SWARTLAND MUNICIPALITY	318 085	22.78%
DRAKENSTEIN MUNICIPALITY	10 380	0.74%
NON MUNICIPAL & RURAL SCHEMES	185 157	13.26%
TOTAL	1 396 183	100.00%

Department Water and Sanitation Water has approved water restrictions to be introduced in the affected areas from November 2017. In essence the level of restrictions require all water users in

the supply area of the berg Water management Area to save 45% on water use. The imposition of restricted water consumption would enable the filling of the dams so as to have adequate stored water in our dams for sustainable use during the ensuing season including the ensuing summer season when most of the stored water is consumed.

The West Coast District Municipality (WCDM) is the bulk water services provider for the southern West Coast region and provides potable water supplied to Saldanha Bay-, Swartland-, Berg-River- and cross border to Drakenstein municipality the WCDM monitored the supply of potable water to these municipal area.

Table 3.1.1: Withoogte Water Treatment Works and Misverstand Raw water

11 June 2019	Unit	Withoogte Raw Water	SANS 241:2015 Standard	Withoogte Final Water	Misverstand Raw water
pH	pH units	7.77	≥ 5 to ≤ 9.7	8.25	8□□□
Colour	(mg/l Pt)	-	≤ 15	< 1	□
Turbidity	(NTU)	48.5	< 1	0.52	□□□□
Electrical conductivity	(mS/m)	25	≤ 170	26	□9
Total dissolved solids	(mg/l)	165	≤ 1200	171	□9□□□
Total alkalinity	(mg/l as CaCO ₃)	33	None	38	□□
Chlorides	(mg/l)	68	≤ 300	77	88
Total hardness	(mg/l as CaCO ₃)	106	None	176	□□□□
Calcium hardness	(mg/l as CaCO ₃)	49	None	68	□0
Magnesium hardness	(mg/l as CaCO ₃)	57	None	108	9□
Langelier index	None	-	None	-0.29	□
Iron	(µg/l)	-	≤ 300	-	□
Manganese	(µg/l)	-	≤ 100	-	□
Aluminium	(µg/l)	-	≤ 300	-	□
Fluoride	(mg/l)	-	≤ 1.5	-	□
Sodium	(mg/l)	-	≤ 200	-	□
Nitrate as N	(mg/l)	-	≤ 11	-	□0□□
E. coli	Count/100ml	-	0	0	□□00□□
Total Coliforms	Count/100ml	-	≤ 10	0	
Heterotrophic plate counts	Count/ml	-	≤ 1000	0	

Table 3.1.2 Voëlvlei Water Treatment Works

11 June 2019	Unit	Swartland Raw Water	SANS 241:2015 Standard	Swartland Final Water
pH	pH units	8.02	≥ 5 to ≤ 9.7	9.12
Colour	(mg/l Pt)	-	≤ 15	< 1
Turbidity	(NTU)	49	< 1	0.52
Electrical conductivity	(mS/m)	9	≤ 170	11
Total dissolved solids	(mg/l)	59.4	≤ 1200	72.6
Total alkalinity	(mg/l as CaCO ₃)	17	None	24
Chlorides	(mg/l)	28	≤ 300	30
Total hardness	(mg/l as CaCO ₃)	44	None	60
Calcium hardness	(mg/l as CaCO ₃)	20	None	32
Magnesium hardness	(mg/l as CaCO ₃)	24	None	28
Langelier index	None	-	None	0.09
Iron	(µg/l)	-	≤ 300	-
Manganese	(µg/l)	-	≤ 100	-
Aluminium	(µg/l)	-	≤ 300	-
Sodium	(mg/l)	-	≤ 300	-
Fluoride	(mg/l)	-	≤ 1.5	0
Nitrate as N	(mg/l)	-	≤ 11	0
E. coli	Count/100ml	-	0	0
Total Coliforms	Count/100ml	-	≤ 10	0
Heterotrophic plate counts	Count/ml	-	≤ 1000	0

□

Table 3.1.3: Employment statistics: Water provision

Table 3.1.3: Employment statistics: Water provision

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	23	9	8	1	11%
4-6	30	49	43	6	12%
7-9	32	45	35	10	22%
10-12	6	6	6	0	0
13-15	5	5	5	0	0
16-18	1	1	1	0	0
19-20	0	0	0	0	0
Total	97	115	98	17	15%
T3.3.1					

Table 3.1.4: Financial performance: Water services, 2018/2019 (Year 1) (R'000)

Financial Performance: Water Division					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	93 684 059	98 317 818	95 518 089	74 042 747 115 668 150	22.48% (-21.10%)
Expenditure:					
Employees	27 764 433	31 982 728	28 302 255	29 893 234	(5.62%)
Repairs and maintenance	-	-	-	-	-
Other	62 937 776	56 073 295	57 283 581	43 934 067 86 526 543	23.30% (-53.05%)
Total Operating Expenditure	78 673 850	88 056 023	85 585 836	73 827 300 116 422 777	13.74% (-36.03%)
Net Operating Expenditure					
					T3.14.1

Table 3.1.7: Financial performance: Housing (R'000)

Financial Performance: Housing					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 885 854	1 775 550	2 214 149	2 124 964	4.03%
Expenditure:					
Employees	876 274	909 957	1 023 585	980 297	4.23%
Repairs and maintenance	-	-	-	-	-
Other	355 333	438 968	434 397	360 805	16.94%
Total Operating Expenditure	1 231 607	1 348 925	1 457 982	1 341 101	8.02%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.1.7

Table 3.1.8: Financial performance: Planning waste and projects (R'000)

Financial Performance: Planning Waste and Projects					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	600 000	477 360	20.44%
Expenditure:					
Employees	2 414 733	1 424 616	2 599 355	2 676 186	(2.96%)
Repairs and maintenance	-	-	-	-	-
Other	88 629	1 344 672	167 600	48 124	71.29%
Total Operating Expenditure	2 503 362	2 769 288	2 766 955	2 724 310	1.54%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.1.8

3.2 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.2.1 INTRODUCTION

3.2.1 INTRODUCTION

The West Coast District Municipality Indigent Policy was revised and approved on 27 March 2019; Council resolution ITEM 19/03/27/9.1.2

There are only 26 households left at the Withoogte WTW, Rooi Karoo, Piketberg. The Indigent Policy provides the following to these households:

- a) ☐ Water – 6kl (maximum)
- b) ☐ Refuse Removal
- c) ☐ Sewerage Removal
- d) ☐ Electricity – 100 units
- e) ☐ Rates up to a maximum valuation of R50 000
- f) ☐ House Rental – 67% of debt raised

STRATEGIC OBJECTIVE

Providing a service to the consumers with indigent status.

PURPOSE

To deliver services to indigent households who qualify for the indigent grant in terms of council policy.

CHALLENGES

Minimal consumers to WCDM.

Table 3.2.1: Free basic services to low-income households

	Number of households									
	Households earning less than R3 916									
	Total	Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
			Access	%	Access	%	Access	%	Access	%
2016/17										
2017/18	27		27	100	17	100	17	100	16	100
2018/19	26		26	100	17	100	17	100	16	100

The Allpay Grant was R1,780.00. The West Coast DM Indigent Policy prescribes that the income of the person should not exceed the limit $2 \times R1\,780 + 10\% = R3\,916$.

COMPONENT B: AGENCY SERVICES

3.3 ROADS

3.3.1 INTRODUCTION



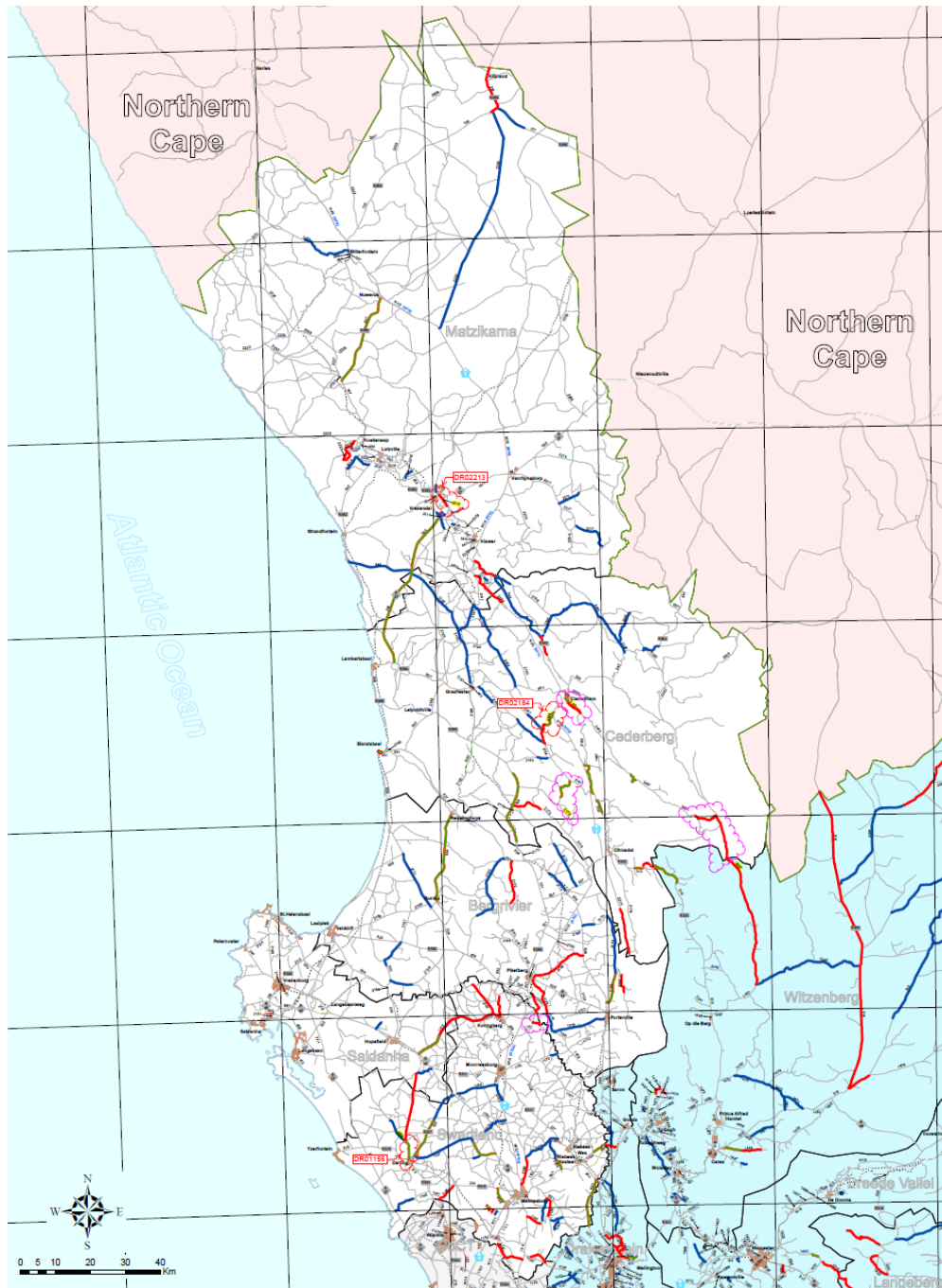
Panoramic view of the Cederberg as seen from Uitskympas

Situated to the North of the Southern most local authority of Africa, the Cape Metropole, it can be expected that transport links will be crossing the jurisdiction from virtually any wind direction transporting freight, cargo, goods, passengers etc. to and from airport(s), harbour(s), town(s) and the city.

Africa to the North (via Angola) is linked with the metropole via the N7 route/corridor, whilst neighbouring countries can be reached via Trunk roads connecting the West Coast towns with the N1 and N7.

The Industrial Zone, situated in Saldanha, is linked with the metropole via Trunk roads 77 (R27) as well as the inland via trunk roads 21 and -25 and the N1. Various main roads contribute as arterials. These routes act as import and export connection from and to the two harbours situated respectively in Cape Town and Saldanhabay. Last is well known for the export of iron ore specifically, but other materials mined along the Western coastline and/or further inland also find its way through the port. Last mentioned facility is also known for the import of oil but also for parts of renewal energy like that of wind farming. The export of produces e.g. Citrus, grapes etc. is transporting on connecting roads be it trunk-, main-, divisional and/or minor roads and done

through the Cape harbour. Last mentioned harbour also handle the import of wheat and this strategic food source may found their way on the same road network and/or railway to the miller(s). Last mentioned three categories of roads were maintained by WCDM on agency basis for the road authority Provincial Government of the Western Cape.



A view of the Road Network within the West Coast District Municipality

The objective of the Department Technical Services, Division Roads is primarily promoting bulk infrastructure development services. But any road, including remoted minor roads, leads to an economic activity and therefore the Division contribute towards the pursuing of economic growth and the facilitation of job opportunities be it the reduction of vehicle operating cost or getting people connected to towns by acceptable road(s) and/or – conditions. The procedures followed

to maintain the gravel roads and/or improvement thereof by upgrading it, or the maintenance of the existed permanent paved infrastructure, is done according to prescribed legislation, norms and standards [e.g. NEMA; Petroleum and Resources Act etc.] so that the environmental integrity of the jurisdiction is not only important but, as far as possible, be ensured, respected, protected and, improved. Here the Division strive to rehabilitate old unused unproductive borrow pits of a former dispensation. Furthermore, with a well maintained road infrastructure of main, divisional, minor, gravel and or tarred road infrastructure, people can move freely and be transported to towns for education, sporting events and religious meetings that the social wellbeing of the community, and the upliftment thereof is also of vital importance. The division management is economic, effective and efficient to give effect to the expectations of the road authority, tax payers, communities, road users, business, tourists etc. The division is managed to ensure good governance and financial viability.

The public roads, serving the community of the West Coast District Municipality, the Western Cape Province and South Africa as a whole, belonging to the road authority. A Memorandum of Agreement [MOA] between the Western Cape Provincial Government and the West Coast District Municipality formed the basis of the agency agreement. The latter maintain the main-, divisional-, minor-, gravel- and portions of paved roads allocated to them, on the said agency basis for the road authority. [Trunk – and national roads are respectively maintained by the Road authority and Sanral themselves]. Exemptions to the rule exist when the agent was instructed to maintain portions of trunk roads be it the reseal and/or the respray of line markings.

The purpose of the agreement is;

- To construct, maintain, repair, protect and manage the proclaim provincial roads;
- To ensure that the proclaimed roads are in a safe and reliable condition within the legal framework; and
- To maintain and construct the roads as identified according to the road number, distance and level of service[LOS];
- Within the allocated budget for the normal maintenance and capital work which can include reg gravel, reseal, rehabilitation, concrete structures and /or upgrading of roads and/or portions thereof.

Communication with the road authority is done by monthly planning-, monthly regional-, Tri Annual- and/or ad hoc meetings. Matters of interest were discussed including feedback on performance and expenditure of the budget. During the past financial year the Roads Division requested the road authority to increase the allocated approved budget, which was considered, approved and the agreement amended with 15 percentage to R 137. 196 million.

The road authority supplied the agent with plant and equipment – the so called Yellow Fleet- to give effect to the MOA. The allocated budget included the maintenance of the fleet for normal wear and tear, repair and fuel. During the reporting period the management of last-mentioned item was a challenge due to the increase of the Dollar/Rand value as well as the rising of the world crude oil price. Time lost by key maintenance machines due the unavailability of parts locally and the time lost due to the import thereof put pressure on remaining role-players in reaching the respective performance indicator(s). The Supply Chain Management Process also poses challenges. The replacement value of the Yellow Fleet amount to an astonishing value of R 276.04 million. The maintenance there of was done by two Workshops situated in Moorreesburg and Vanrhynsdorp respectively. The total manpower is 25 persons of which seven are artisans.

Training delivered the division's first two qualified mechanics whilst others received NQF training becoming literate. The turnover of manpower are low.

The replacement of construction machine and equipment is a yearly agenda point and can included the accrual of new plant and/or equipment. Unfortunately it is controlled by available fund(s) and the replacement was prioritised. New machines required was discussed and the Division was blessed in the sense that it received one of the new owned self propelled mechanical chip spreaders. This allocation allow the Division to up the existing standard of upgrade and/or reseal performance but also to improve the productivity, effectivity and efficiency of the respective team(s).



A self-propelled mechanical chip spreader allocated to West Coast District Municipality

The division, furthermore, find itself in a fortunate position in that the donated steel frame structure and pavers [mentioned in the previous report] were erected to improve the Council's workshop facilities in Moorreesburg. The foundations and concrete floor was casted and steel frame structure with cladding erected. The electrifying thereof and the pavement is in process. The project will increased the floor area by 200 square metres or by 42 percentage. Paving of the remainder in process.

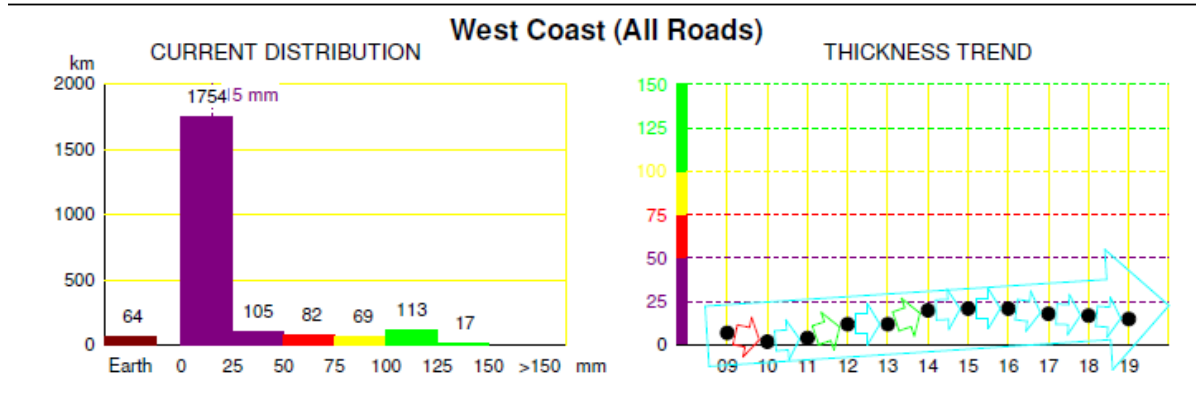


Donated steel frame structure and pavers erected as an extra PA workshop

Table 3.3.1: Gravel infrastructure (kilometres)

Financial year	Total gravel roads	New gravel roads	Gravel roads upgraded to tar	Gravel roads graded/maintained
2016/2017	7878.91	0	10.69	2183.25
2017/2018	7858.22	0	19.50	2122.48
2018/2019	7845.21	0	3.69	2203.38
				T3.3.1

Since the previous report the gravel road network had deteriorated in that the average gravel layer thickness had depleted from 20 - to 18 mm whilst the threshold is 25 mm.



Illustrating average gravel layer thickness of all roads within the WCDM

The graph continues in the wrong direction. The immediate regravel need therefore had risen to 494.8 kilometres whilst the capacity of the two teams, taken into account their other activities, amount to roughly spoken 40 kilometres per annum. The Division nearly met their KPI of 38.83 kilometres, but mentioned must be made of a project of 10 kilometres that missed the deadline. The road authority experienced an under expenditure situation and in addressing that an extra of 57 726 tons [i.e. \pm 32 800 cubic metres] of laterite (regravel materials) were bought to address the ever increasing regravel need to an extent. The lack of approved and expropriated regravel borrow- and strategic pits remains a threat. In the meantime the regravel was addressed by optimising the road reserve where applicable, but it is a short term solution as the quality of materials not quite meet the standards required. Much needed funds was used to bought materials from commercial sources for normal maintenance, be it spot regraveling or normal patching. The quality of the materials can be controlled and comply with the specifications but it came at a cost, given the location thereof as well as the transport cost.

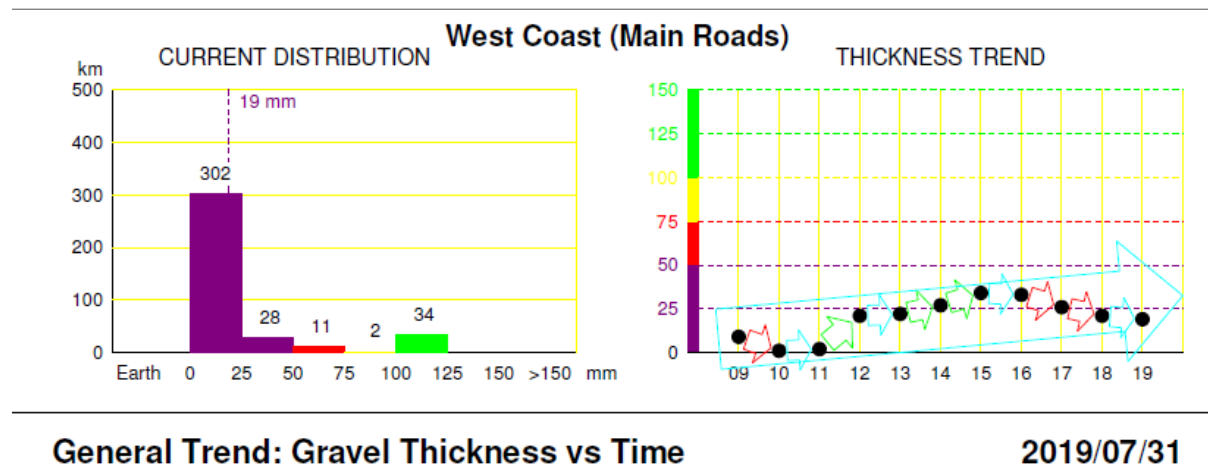
Table 3.3.2: Asphalt infrastructure (kilometres)

Financial year	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2016/2017	1701.72	0	0	43.53	1056.53
2017/2018	1717.05	0	0	48.32	1060.92
2018/2019	1716.40	0	0	41.16	1069.44
					T3.3.2

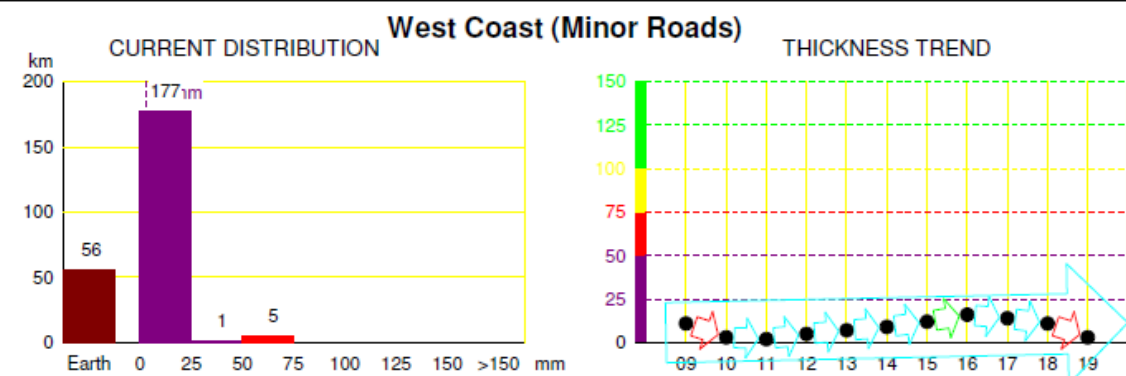
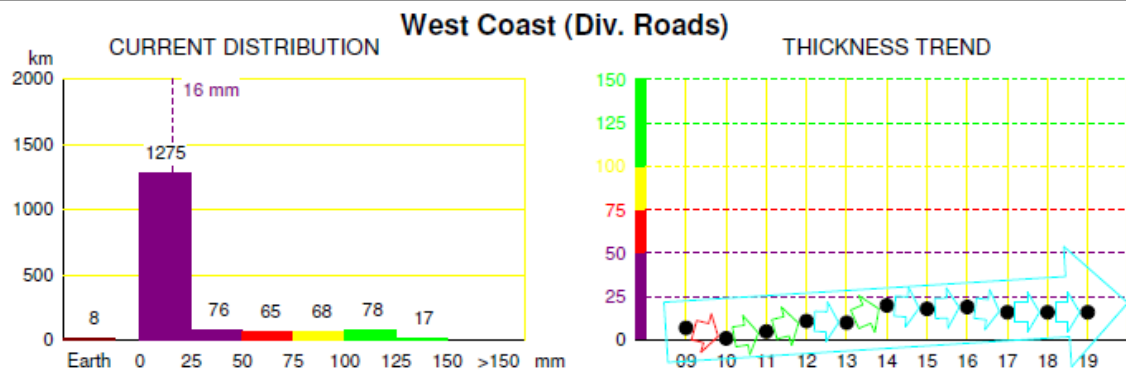
The maintenance of the gravel- and tarred roads (9 623 kilometres) was done by 26 teams consisting of 11 maintenance - and 15 grader teams. Drawn graders distributed through the jurisdiction to landowners was of great help. In the process of optimizing blading, tyre dragging was implemented whilst wet blading was done in certain circumstances. The Sandvik method also was used addressing a specific need. The KPI for dry blading was met and 18 652 kilometres graded (2017/18 financial year performance = 16 754 kilometres) - infect it was exceeded by 2, 652 kilometres.

The legal issues, addressing the boreholes within the road reserve, for wet blading and/or regravelling received attention but not resolved yet.

The condition of the gravel roads are summarised by an extract of the 2018/2019 Gravel Management System [GRMS].



Illustrating average gravel layer thickness per road category



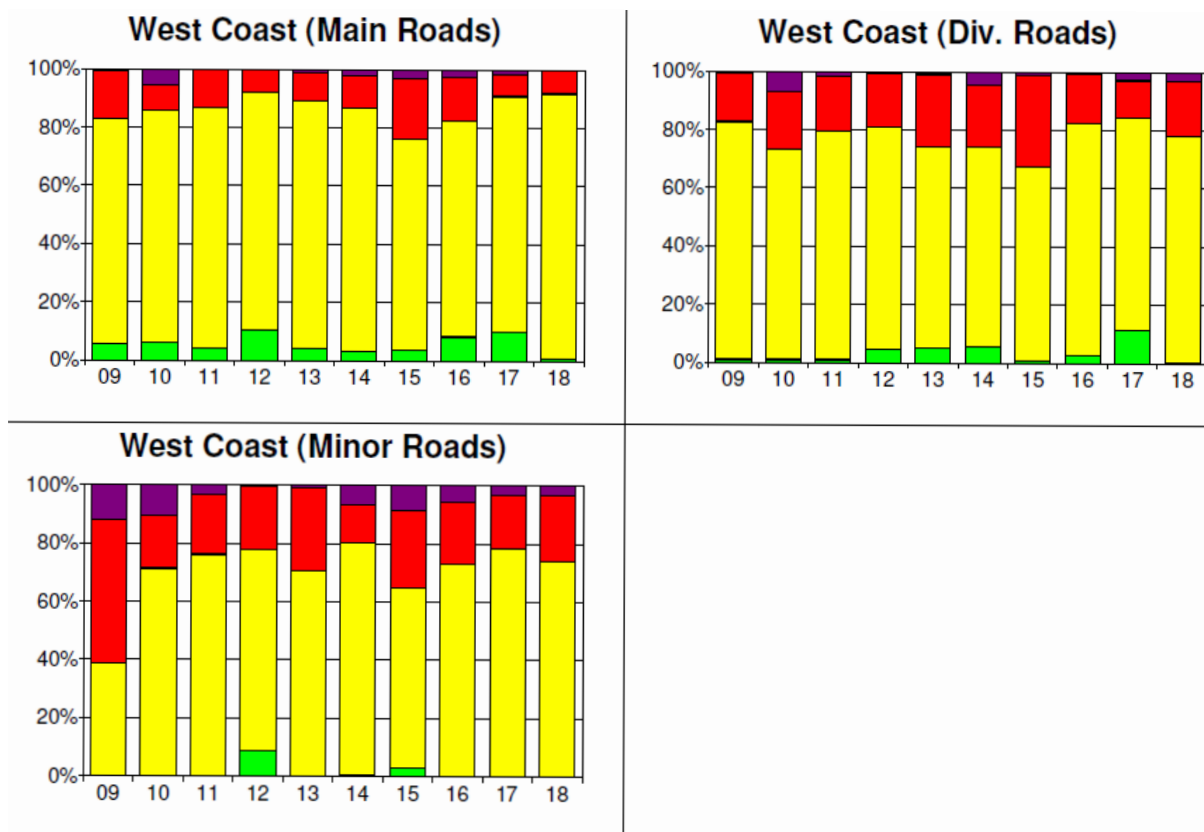
General Trend: Gravel Thickness vs Time

2019/07/31

Illustrating average gravel layer thickness per road category

An amount of R2, 3 million was spent on the replacement of existing fences alongside trunk-, main- and divisional roads. 81, 4 kilometres of fencing was re-erected by their respective landowners.

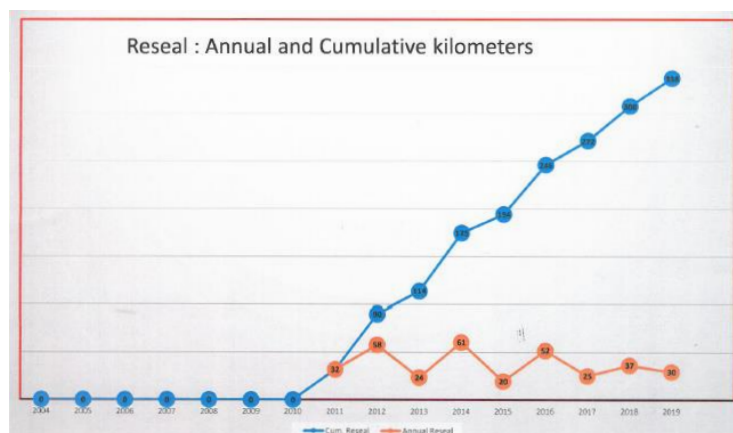
The condition of the paved road network can be summarised by the diagram extracted from the 2018/2019 Pavement Management System [PMS]. It is notable that the very good and good portion had lessened whilst the poor to very poor had increased.



Illustrating deterioration of paved roads per road category

Maintenance of the paved network was done by in-house capacity and where needed complimented by RMT contracts managed by the road authority. The reseal team managed to completed 30 kilometres and in so doing meet the respective KPI target. That was made possible due to the road authority cancelling one of Council's scheduled reseal projects and included into a C-Contract.

The history of the Division's reseal performance in the last nine years show a saw teeth type of graph and it should be more of an increasing straight line. With the allocated new self- driven chip spreader it can be easily attained provided funds available.



Reseal performance since 2011

The upgrading of gravel roads was done by two construction teams located respectively in Moorreesburg and Vanrhynsdorp respectively.

10.01 kilometres of gravel road was upgraded to black top.



Upgrading a road in the Cederberg from gravel to tar as seen from Uitkykpas

In addressing the 2018/2019 budget the Division did not only spent the budget but overspent by R 2, 739 million. This portion will be recovered from the 2019/ 2020 budget.

Table 3.3.3: Cost of construction/maintenance

Financial work year	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-	Maintained
2016/2017		39 135	60 074		4 780	6704
2017/2018		56 366	65 750		54	110961
2018/2019		49 460	82 847			15279
						T3.3.3

The previous mentioned performance of the roads division was reached by a workforce of 234 people, including die personnel of the two workshops.

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	129				
4-6	23				
7-9	29				
10-12	4				
13-15	3				
16-18	2				
19-20	0				
Total	190				
T3.3.4					

Vacant posts were regularly advertised and duly qualified staff appointed.

The labour force received continuous training in literacy, career path planning and accredited training [professional registered people]. Two assistants that qualified as mechanics is a highlight for the workshop

Table 3.3.4: Employees: Road services

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	134	141	125	16	11%
4-6	36	40	37	3	8%
7-9	31	36	31	5	14%
10-12	13	15	12	3	20%
13-15	3	4	4	0	0%
16-18	2	2	2	0	0%
19-20	0	0	0	0	0%
Total	219	238	211	27	
Including Mechanical Workshops T3.3.4					

The allocated budget was spent as illustrated by the content of Table 3.3.5

Table 3.3.5: Financial performance: Road construction and maintenance (R'000)

Financial Performance: Roads Construction & Maintenance					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	119 164 055	124 706 794	137 195 794	129 120 490	5.89%
Expenditure:					
Employees	50 119 543	50 675 797	50 675 797	52 106 740	(2.82%)
Repairs and maintenance	-	-	-	-	-
Other	69 044 512	74 030 997	86 519 997	77 013 751	10.99%
Total Operating Expenditure	119 164 055	124 706 794	137 195 794	129 120 491	5.89%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.3.5

Capital projects	2017/2018	2018/2019			
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Main Road 533(km 0.0 – 5.67) Upgrade	5 000	8 750	8 408		44233
Minor Road 7674(km 0.0 – 2.5) Upgrade	1 500	1 500	2 445		2 445
Divisional Road 1161(km 10.54 - 33.02) Regravel	10 224	10 224	5 396		5 923
Divisional Road 2217(km 1.18 - 17.35) Regravel	6 885	6 885	11 597		11 597
Divisional Road 2217(km 17.35 – 27.00) Regravel	4 725	4725	423		3 562
Divisional Road 1158(km 6.0 – 13.56) Regravel	2 961	0	4		1 487
Divisional Road 1487(km 45- 55) Regravel	0	2 500	5 488		5 488
Divisional Road 2213(km 0.48- 5.06) Regravel	0	0	42		42
Divisional Road 2212(km 7.48 – 8.48) Upgrade	4 000	3 690	8 044		8 044
Divisional Road 2212(km 0.0 – 1.78) Upgrade	7 000	6 560	9769		9769
Divisional Road 1487(km19.56 – 21.55) Upgrade	0	2 940	6 286		6 286
Divisional Road 1487(km 21.76 – 24.50) Upgrade	0	4 047	10 291		10 291
Main Road 539(km 12.89 – 16.9) Upgrade	0	6 450	825	-□	825
Trunk Road 16/2(km 25 – 30) Reseal	9 900		1 408		
Main Road 538(km 12.1 – 17.0) Reseal	0	2 849	313		
Main Road 538(km 34.0 – 38.73) Reseal	0	3 224	1 887		1 887
Trunk Road 16/2(km 30 – 35) Reseal	0	0	47		47
Divisional Road 1169(km 0.0 - 0.49) Reseal	321	321	600		600
Divisional Road 2193 (km 0.0 – 1.1) Reseal	687	687	441		441
Divisional Road 2196 (km 0.99 – 1.85) Reseal	273	273	59		59
Divisional Road 2203 (km 17.05- 17.67) Reseal	320	320	392		392

Divisional Road 2203 (km 20.15 – 20.65) Reseal	203	203	408		408
Divisional Road 2233 (km 0.0 – 9.9) Reseal	7 625	7 625	8 181		8 181
Minor Road 5583 (km 0.0 -0.76) Reseal	382	382	657		657
Minor Road 7813 (km 0.0 – 0.51) Reseal	233	1 233	430		430
T3.3.6					

3.4 COMPONENT C: PLANNING AND DEVELOPMENT

3.4.1 TOWN PLANNING

INTRODUCTION

The Division Spatial Planning & Development of the West Coast District Municipality endeavours to promote and facilitate coordinated, regulated spatial planning and land use development and management in the West Coast Region. This entails addressing the social needs of the community, promoting economic growth, whilst simultaneously protecting the environment to ensure the sustainable use of resources.

STRATEGIC OBJECTIVE

The Division aims to achieve the following strategic objectives contained in the municipality's Integrated Development Plan and Spatial Development Framework:

Ensuring environmental integrity for the West Coast;

Pursuing economic growth and the facilitation of job opportunities;

Promoting social wellbeing of the community;

Promoting bulk infrastructure development services;

Ensuring good governance and financial viability.

PURPOSE

Spatial Development Framework

The Spatial Planning and Development Division is responsible for the drafting of the District Municipal Spatial Development Framework (SDF). The SDF represents the long term (20 year) spatial vision of the WCDM and is a core component of the Municipal Integrated Development Plan. As such the SDF has to be reviewed every 5 years to align with changing circumstances and new information. The SDF must incorporate all the sector plans of the municipality, as well as those of provincial and national departments which impact the spatial development of the municipal area.

The current SDF was adopted by Council in August 2014. A ± 14 month project for the review and update of the West Coast District Municipal SDF commenced during September 2018 after the appointment of a service provider on 20 August 2018. The project consists of the following phases:

- Project Inception
- Status Quo Report
- First Draft SDF
- Public Consultation
- Final Draft SDF
- Finalization and Approval of SDF

The First Draft SDF is currently being compiled and Public Consultation (Phase 4) will commence shortly. It is envisaged that the project will be concluded during October 2019.

Comments on Environmental Impact Assessment Reports

The Division provides comments on all proposed projects undergoing environmental assessment in terms of the National Environmental Management Act, 1998 (NEMA) which are circulated to the West Coast District Municipality during the legislated public participation process. Socio-economic, spatial planning and environmental comments are provided on all projects or developments that have a regional impact or that impact West Coast District Municipal functions. During 2017-2018 comments were provided on 56 Environmental Impact Assessment Reports.

Comments on Land Use Management and Development applications

The West Coast District Municipality does not process applications for land use management or land use development. This is the function of the respective category B municipalities. However, comments on socio-economic status, spatial planning, environmental health, environmental management, fire management and disaster management are provided by the West Coast District Municipality when land use management applications received in category B municipal areas are circulated for comment to stakeholders and organs of state. Comments were provided on 17 Land Use applications circulated to the West Coast District Municipality during the financial year 2018-19.

SHARED SERVICES

In terms of Section 35(1) of the Spatial Planning and Land Use Management Act (Act 16 of 2013), local municipalities must establish a Municipal Planning Tribunal for determining land use and development applications within their municipal areas. Municipalities must categorise development applications to be considered by either an authorised official or a Municipal Planning Tribunal. The WCDM Town and Regional Planner has been appointed to serve as an external member on the Bergrivier and Saldanha Bay Municipal Planning Tribunals.

CHALLENGES

The last two decades have seen rapid population growth in the West Coast District Municipal area, especially in the Swartland and Saldanha Bay Municipalities. It is foreseen that local municipalities will face ever more pressure regarding service delivery. In this regard, sufficient water to provide in the needs of a growing population will be of paramount importance in this water scarce area. In order to promote economic growth and job creation, the development of alternative water sources must be addressed urgently.

3.4.2 COMMENTS: PLANNING

Table 3.4.1 Applications for land use (not applicable to West Coast District Municipality)

Detail	Formalisation of townships		Rezoning		Built environment	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
Planning application received						
Determination made in year of receipt						
Determination made in following year						
Applications withdrawn						
Applications outstanding at year-end						
						T3.4.1

Land use management applications are not handled by the West Coast District Municipality and are processed by the respective B municipalities in the District.

Table 3.4.2: Employees: Planning

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	0	0	0	0	0%
10-12	0	0	0	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	1	1	1	0	0%
T34.1					

Table 3.4.3: Financial performance: Land and Buildings (R'000)

Financial Performance: Land and Buildings					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 303 242	1 270 392	1 270 392	1 293 405	(1.81%)
Expenditure:					
Employees	1 008 464	1 120 827	1 144 581	1 137 763	0.60%
Repairs and maintenance	-	-	-	-	-
Other	905 934	1 827 406	1 798 985	902 155	49.85%
Total Operating Expenditure	1 914 398	2 948 233	2 943 566	2 039 918	30.70%
Net Operating Expenditure					
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</p>					
T3.4.3					

3.5 STRATEGIC SERVICES: LOCAL ECONOMIC DEVELOPMENT

Regional Economic Development in the West Coast

3.5.1 Strategic objective, purpose and challenges

Local municipalities take care of economic development in their areas, with specialist support from provincial and national government. The economic development unit of the West Coast District municipality will not duplicate that focus but will aim to address the critical gaps in development efforts and more effective public investment. The mission statement is therefore phrased as follows:

“Improving the efficacy of economic development practices, processes and systems”

The expected consequence is better overall results from the West Coast development initiatives.

The prioritised outcome goals are:

- ☐ Well informed leaders make quicker and better development choices.
- ☐ Development stakeholders team-up across institutions more easily to improve.
- ☐ Public investment and CSI steered better to maximise development outcomes and impact.

As a consequence economic development will speed-up and scale-up, including:

- ☐ Reduction of key constraints to growth.
- ☐ Strengthening economic competitive advantages.
- ☐ Attraction of more investors / investment.
- ☐ Keeping local businesses better informed about opportunities, threats and developments.
- ☐ Attracting more tourists and spend.

Increasing the scale of success of the development partners is therefore vital to WCDM success. New processes will be established by means of the following catalytic OUTPUTS:

1. ☐ Adopt an eco-system outcomes management process, rather than just an output compliance approach.
2. ☐ Increase the use good practices: More effective public investment, Results management
3. ☐ Essential strategic information captured accurately, briefly and completely.
4. ☐ Maintain master records of all (portfolio) development initiatives. Quality verified.
5. ☐ Expert services identify gaps, overlaps and opportunities to improve
6. ☐ All development stakeholders able to monitor all development info online. Work as teams to resolve issues faster.
7. ☐ Improve the efficacy of investment promotion and facilitation.

A summary of the rationale, expected results and key indicators of success, are provided below.

Result type	Result area	Key Indicators	
Impact on Society	Inclusive economic growth / increased access to economic opportunities.	1. Number of citizens with increased household incomes.	
Impact on business	More large firms invest and grow here. Local firms benefit from the investment and procurement.	1. Number of new jobs created by green fields investors	2. Increase in number of businesses in WCDM, registered for VAT (alt. registered at LMs)
Outcomes (enabling environment)	Reduce constraints and strengthen advantages for key growth sectors.	1. Total number of: Investments facilitated into WCDM	2. Total number of: Local firms that secure facilitated transactions in WCDM
Output (catalytic change)	Increase the use of good development practices by WCDM, LMs and other development partners.	1. Number of local municipalities with system for investment facilitation established with facilitator able to engage CEOs.	2. Number of municipalities in the WCD that adhere to key principles of promoted good practice standards.

3.5.2 Investment promotion support and destination marketing

Over the reporting period the District Municipality continued facilitating investment promotion support and destination marketing to the region as a whole and to the five local municipalities within its area of shared jurisdiction, namely Bergrivier, Cederberg, Matzikama, Saldanha Bay and Swartland municipalities.

The avenues that were employed consisted of a range of print, online-electronic and collaboration platforms. Prime position through an inside front cover placement in the Wesgro endorsed Western Cape Business publication was enjoyed by the district, as well as additional coverage on the front cover with the District Municipality logo. This was augmented with an online electronic newsletter with an online circulation and readership in excess of 16 million businesses globally, and a page-per-municipality investment website hosting and investment matching platform called Matchdeck. These avenues deliver a traceable investment inquiry pipeline that is directed to each local municipality.

3.5.3 Online development collaboration and networking

The West Coast District Municipality has continued providing online collaboration and networking platforms for integrated economic development to four of the five local municipalities within the district. This enabled them to host up to 100 online collaboration groups within their municipal area, over any developmental or municipal aspect or function.

3.5.4 West Coast Business Development Forum

Since its inception in 2014 as part of the West Coast District Municipal (WCDM) strategic intent, the WCBDF has focussed on specific cross cutting issues relevant to the regional economy, and has set up highly focussed task teams to deal with these issues, as well as with specific opportunities. The BDF underscores the Regional Economic Development Strategy of the District Municipality in promoting economic growth and the facilitation of job opportunities. The WCBDF

is a highly successful collaborative working model which brings together senior level private sector CEO's from the private sector firms operating in the region, such as PPC, DUFERCO, Arcelor Mittal Saldanha Works, Sea Harvest and others, with relevant provincial, district and local government, and with national government and government programmes (such as SEZ) as needed. It meets every six weeks and is a highly practical collaborative group which tackles issues impending growth and investment in the region, thus removing barriers and taking up opportunities for growth.

To share but a few examples, one task team focussed on investigating making gas available in the region as a viable alternative to electricity, another focussed on removing barriers to the Matzikama Aquaculture project of farming abalone in the local municipality, and a third examined ways to upgrade local port infrastructure and operations. Currently, the WCBDF working collaboration is finalising the removal of the last barrier in Matzikama, and has initiated a Water working group, working with industry, government and the German Technical Co-operation (GIZ), to ensure no further water crisis of unmanageable proportions affects the region again. The WCBDF has also approved a full task team programme to facilitate and support all other aquaculture projects in the region; a skills task team to significantly improve available and relevant skills and experience in the region and; an energy task team to begin to remove barriers to the use of gas and renewables for industry. It is supporting the implementation of a tourism project in Porterville, and potentially, the development of housing and other social facilities for a fast growing area in agriculture and agri-process, also in Bergrivier Local Municipality.

Past successes include:

i) The initiation of a waste to energy CBV was motivated by PPC, the cement producer. This resulted in an alliance and contract with REDISA, the SOE which collects and disposes of used tyres. PPC invested in new equipment to accommodate the burning of tyres in its kilns, and REDISA succeeded in disposing of a number of waste tyres on an annual contract basis, while at the same time stimulating SMME participation in the waste management value chain.

ii) The development of an improved Artisanal Skills delivery system for the West Coast. The main employers on the West Coast are industries with a high need for artisanal skills, including the steel, cement, mining, metals fabrication and construction industries. The need for artisans is likely to increase as a result of the planned oil and gas Industrial Development Zone (IDZ) in the course of being implemented in the area. The artisanal supply system serving the West Coast was considered by business to be highly flawed. The public sector, represented by the skills unit in the provincial Department of Economic Development and Tourism (DEDAT), and the private sector (all major businesses on the West Coast) worked together and developed an intake and work experience system which has now been implemented in the region, funded by both government and the private sector in various ways. The first intake of unemployed youth was 1 000 people, of which 900 passed module one and have moved forward in the modular programme. The programme is rolling out into new areas currently. While the task team has now disbanded as its job is done, the programme continued.

Other successes include a successful agriculture roundtable, with fact sheets developed for key sub-sectors, annual plenary sessions and business breakfasts.

The key lessons learnt through the West Coast BDF is being highlighted for peer learning by the National Department of Co-operative Governance, and is also being surveyed for a benchmark report by the GIZ.

The BDF will for the short-to medium term be focussing on:

1. □ Resource availability, management (water, energy)
2. □ Infrastructure, availability, barriers, actions to optimise
3. □ Skills development, availability, suitability for existing and future growth
4. □ Focus on specific sectors

- a. ☐ Steel/Cement/Aquaculture/ICT-4IR/ agriculture & agri-process and possibly tourism
- 5. ☐ Continued constructive dialogue and information sharing between public and private sector

In supporting the WCBDF, the development of practical skills will become a key enabler of local industry, as well as a key driver of investment in the IDZ and other areas of the West Coast. A key driver and cross cutting issue without which growth is not possible, championing the skills agenda has always been a main priority of the WCBDF. The WCBDF has been working with the DEDAT team for over two years to develop and roll out the implementation of value-added programmes (such as artisanal training and internships) which are essential not only for existing businesses, but also for the much anticipated growth soon to take place in the Saldanha IDZ due to the major viable gas find off the West Coast.

Currently the WCDM is contributing financially towards the costs of facilitation and secretariat support services, however, the costs factor and frequent use requires alternate sources of funding to sustain the good work which is seen. The private sector participates by working in partnership with DEDAT on the skills agenda, and provides work learning opportunities, provides information to drive skills strategies and collaborates with the Province in all skills related areas. It finances the venue and catering costs for all meetings, and provides venues for a number of linked initiatives, such as the proposed skills workshop. The GIZ has agreed to finance the Water Task Team, and this will be set up within the next few weeks. A knowledge management platform has been made available by a leading firm locally as well as within the international environment at no charge, and the facilitator has halved fees and carries some of the costs for the working sessions. Other partners have contributed towards transportation and facilitation costs as well, in order to keep the continuity of the WCBDF.

The conceptual multiplier attributable to the activities of the WCBDF is likely to be significant. Without the commitment to collaboration of the private sector CEOs to the WCBDF, and the partnering between public and private sector, few if any of the shared projects and programmes would have been implemented. For example, once the Matzikama Aquaculture project is underway, this will supply over 500 skilled jobs and economic participation in the business for a highly deprived community, as well as increasing exports from the region. The various skills programmes have ensured in work training for young people who would otherwise not have gained the essential workplace experience required to achieve employment, and the improvement in competitiveness of some of the regional firms might not have occurred. This last is critical, as the global demand for commodities is low and achieved prices even lower- all decreases in costs through improved efficiencies count.

In sum, the regional economy is strengthened, the large firms retain competitiveness and young people seeking work have very significantly improved prospects through the collaborations made possible by the WCBDF. Working together with DEDAT, the WCDM and the WCBDF can leverage further funding, such as has now been committed by the GIZ for the water programmes, in ways that would not have been otherwise possible. The water programme too, is likely to require some existing skills, but also new skills for the youth which will assist the management programme and which will require its own pipeline. The almost certain growth in the shorter term of the Oil and Gas industry for skilled people, is something that needs to be addressed by the entire region.

Table 3.5.1: Employees: Strategic Services

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9					
10-12	2	2	1	1	100 %
13-15					
16-18	1	1	1	0	0
19-20					
Total					33 %
T3.5.1					

Table 3.5.2: Financial performance: Strategic Services (R'000)

Financial Performance Strategic Services					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	692 458	-	-	(306)	-
Expenditure:					
Employees	1 591 164	1 788 835	1 788 835	1 608 758	10.07%
Repairs and maintenance	-	-	-	-	-
Other	979 708	1 424 960	1 394 570	1 142 325	18.09%
Total Operating Expenditure	2 570 872	3 213 795	3 183 405	2 751 084	13.58%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
T3.5.2					

3.6 TOURISM

3.6.1 INTRODUCTION

The tourism section of the West Coast District Municipality's mandate which aims to develop and promote tourism is drawn from both the South African Constitution (Act 108 of 1996), where municipalities are given the responsibility for leading, managing and planning for development in tourism, and the Municipal Structures Act (Act 117 of 1998), where district municipalities are given the responsibility for the "promotion of local tourism for the area of the district municipality".

STRATEGIC OBJECTIVE

Pursuing economic growth and facilitation of jobs opportunities

PURPOSE

The purpose of the West Coast Tourism Division is to grow and promote a sustainable tourism economy in the West Coast District with emphasis on innovation, service excellence and to establish the "Weskus" as a preferred brand.

CHALLENGES

- 1) The severe drought and the water restrictions of the previous year still has a negative impact on the visitation from international tourists this past year but we did see a growth in numbers over the summer holidays.
- 2) Increased crime in certain towns had a negative impact in certain areas
- 3) Lack of public transport remains a big challenge for tourism growth in the West Coast District
- 4) The low-growth economic climate forces visitors to stay for shorter times and to spend less money
- 5) Seasonality with only the flower season and summer holidays attracting lots of visitors to the West Coast

PERFORMANCE HIGHLIGHTS

3.6.2 COMMENT: TOURISM

Tourism is regarded as the fastest growing economic sector in the world and in South Africa and therefore is a sector that has the potential to stimulate global economic recovery. Being a labour-intensive industry, tourism has a major capacity to create jobs, and since it contributes to a variety of economic sectors it forms the backbone of the economy for many towns in the West Coast.

Table 3.6.1 Economic activity by sector (R'000)

Sector	2016/2017	2017/2018	2018/2019
Tourism	877 269 407	894 814 796	912 711 092
Total	877 269 407	894 814 796	912 711 092
T3.6.1			

Table 3.6.2 Economic employment by sector (jobs)

Sector	2016/2017 Numbers	2017/2018 Numbers	2018/2019 Numbers
Tourism	28434	33410	Not yet available
Total	28434	33410	Not yet available
T3.6.2			

Table 3.6.3 Job creation through EPWP projects

Detail	EPWP projects (N)	Jobs created (N)
2016/2017	Tourism Intern	1
2017/2018	Tourism Intern	1
2018/2019	Tourism Intern	1
T3.6.3		

Table 3.6.4 Employees: Tourism

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	1	1	0	1	100%
10-12	3	3	3	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	5	5	4	1	20%
T3.6.4					

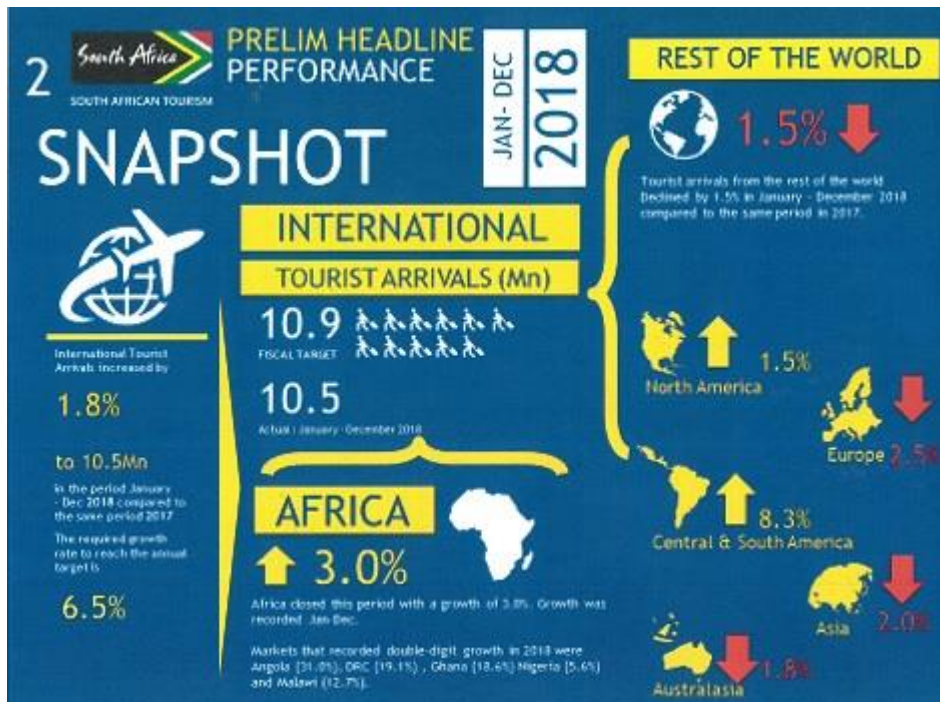
Table 3.6.5 Financial performance: Tourism (R'000)

Financial Performance Tourism					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	(10)	-
Expenditure:					
Employees	2 176 242	2 387 699	2 387 699	2 143 591	10.22%
Repairs and maintenance	-	-	-	-	-
Other	851 055	845 366	846 231	747 854	11.63%
Total Operating Expenditure	3 027 297	3 233 065	3 233 930	2 891 445	10.59%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.6.5

3.6.3 OVERALL TOURISM PERFORMANCE

Below please find snapshots of the tourism performance in South Africa from 1 January 2018 – 30 December 2018.





Value of tourism

Sustainable contribution to economic growth and job creation

- more than 10 472 106 million tourist arrivals in 2017 (+ 8% increase)
- contribution to the economy was 2,8% (R130,3 billion)
- 4,5% (722 013 individuals) of total workforce in South Africa worked in the tourism sector in 2017

How big is tourism?



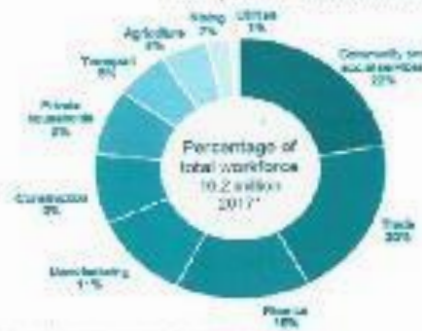
2,8% of the GDP in 2017 (R130,3 billion)

722 013 individuals*



The value of tourism in comparison to other sectors

Compared to other industries?



Tourism
4,5%



More employees than mining but less than agriculture

Performance of Tourism in the Western Cape

Provincial Trends: Western Cape

- The Western Cape accounted for 16.8% of all South African tourist arrivals and received 28.6% of South Africa's tourist's spend. In addition, the Western Cape held 19.3% of South Africa's bed nights recorded during the period.

- The Western Cape held the following share of South African tourists during 2017:

- Western Cape's share of *Africa land* tourists visiting South Africa 3.1%
- Western Cape's share of *Africa air* tourists visiting South Africa 26.7%
- Western Cape's share of *Americas* tourists visiting South Africa 57.2%
- Western Cape's share of *Asia & Australasia* tourists visiting South Africa 43.6%
- Western Cape's share of *European* tourists visiting South Africa 62.0%



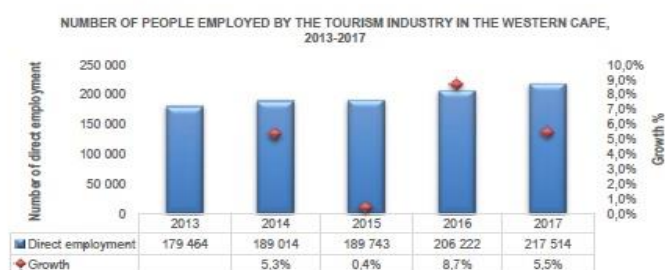
Figure 5: Western Cape Performance indicators to South Africa, 2015-2017

Western Cape Performance Indicators	2015	2016	2017	16/17 % Change
International				
Total number of tourist arrivals	1,323,283	1,568,357	1,727,913	10.2%
% Share of South Africa's arrivals	14.9%	15.6%	16.8%	-
Total foreign direct spend (excl capital expenditure)	R14.9 billion	R18.1 billion	R23.1 billion	27.8%
% Share of South Africa's spend	21.8%	23.9%	28.6%	-
Total number of bed nights spent by tourists	15,625,036	16,744,578	23,300,297	39.2%
% Share of South Africa's bed nights	19.2%	18.9%	19.3%	-
Length of stay	12.2 nights	11.1 nights	14.1 nights	-
Domestic				
Total domestic trips	1,829,000	2,139,000	1,388,000	-35.1%
Total direct domestic spend	R2.0 billion	R2.5 billion	R1.6 billion	-36.0%
Total annual domestic bed nights	8,316,000	10,393,000	533,000	-94.9%
Length of stay	4.8 nights	4.9 nights	3.4 nights	-

Source: SA Tourism, 2018

Tourism employment and GVA contribution to the Western Cape

Figure 7: Number of people employed in tourism in the Western Cape, 2013-2017



- Employment in the tourism industry grew by 38 050 from 2013 to 2017. The highest growth was experienced in 2016 with 8,7%.
- The second highest growth was experienced in 2017 with 5,5% growth.

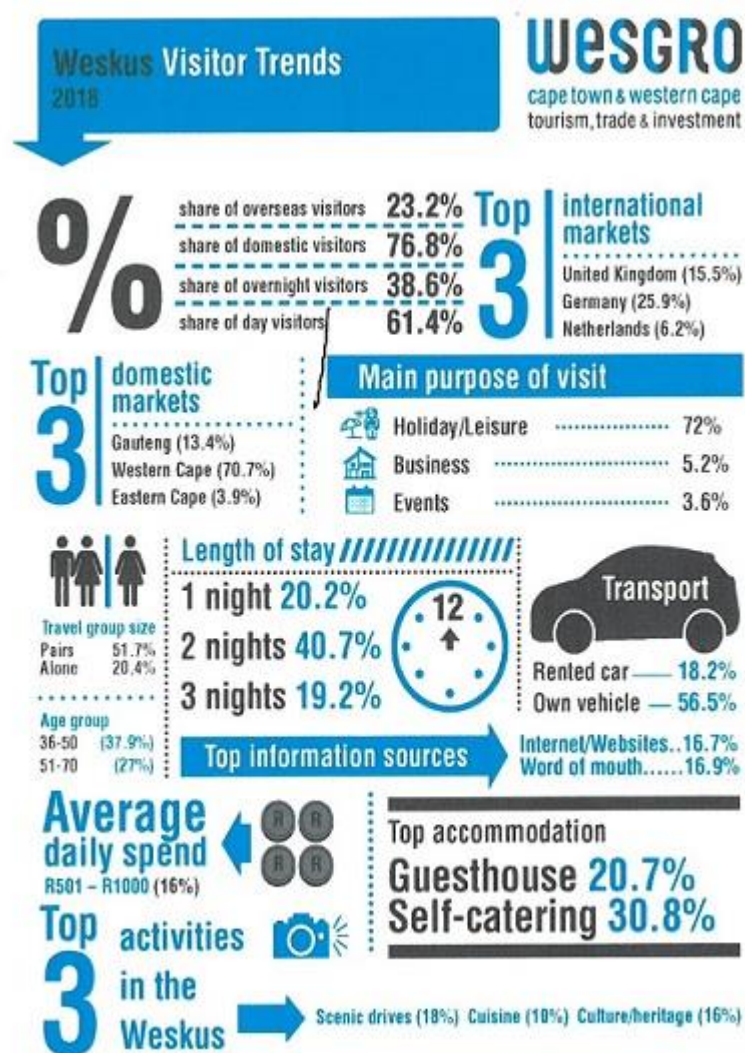
Figure 8: Tourism gross value added in the Western Cape, 2013-2017



- Tourism GVA grew by 11,5% in 2017 when compared to the previous year.
- The highest Tourism GVA was received in 2016 15,5% and 2014 15,4%.

Source: DEDAT 2018

Performance of Tourism in the West Coast from 1 January 2018 to 30 December 2018



PERFORMANCE HIGHLIGHTS

The majority of people in the West Coast District are employed in the agriculture, forestry and fishing sector and the wholesale and retail trade, catering and accommodation sector (MERO 2017). Due to the water restrictions there was a drop in international visitors to the West Coast between December 2017 and April 2018 because they felt that it would be irresponsible to visit the area and to put more strain on the water supply. A successful awareness campaign informed international and domestic tourists not to stay away but to use water sparingly because if they stay away it means a huge loss in income and jobs. Overall, there was a 2% increase of visitors to the West Coast. (Weskus Visitor Trends 2017, Wesgro Research Unit).

DEVELOPMENT INITIATIVES

13 SMME tourism businesses were assisted to grow their businesses and **8 SMME skills training workshops** took place throughout the year which included tourism awareness, customer service, tourism business management and financial management. **Two hundred and fifty three (253) SME's and tourism stakeholders** attended these workshops.

	<p>13 SMMEs were assisted to grow their businesses and 16 SMME skills training work-shops took place throughout the year. 354 SMMEs and community members attended these workshops. SMMEs were assisted with registration of businesses, on the CSD and assisted with business plans.</p>		<p>A Capacity Building work-shop was held on 19 & 20 February 2019 in partnership with NDT. The purpose of the program-me is to capacitate SMMEs in order for them to grow their businesses. Ninety delegates attended the workshop.</p>
	<p>West Coast hosted a Respon-sible Tourism workshop on 30 Oct. 2018. Eighty four stakeholders attended the workshop and this year's mentorship programme will be hosted in the Saldanha Bay municipal area.</p>		<p>3 x Educationals were hosted to market the West Coast as a destination of choice to tourists, tour operators, blog writers and media from other provinces as well as other countries.</p>

MARKETING INITIATIVES

Since the Western Cape is our biggest market, we attended 3 Tourism Expos in the Western Cape namely **the Rapport Holiday Ekspo** in Stellenbosch and the **World Travel Market Africa Expo** in Cape Town. As can be seen from the statistics, Gauteng is our biggest market of all the provinces and our attendance at the **Gauteng Holiday Expo** in Johannesburg had a strong influence. Our attendance at the **Tourism Indaba** in Durban played a main role in increasing the international visitors to the West Coast with about 6% compared to the previous year. (Weskus Visitor Trends 2018, Wesgro Research Unit). Exhibiting at the **Namibia Expo** in Windhoek, once again secured that visitors from Namibia is on top of the list for **visitors from Africa**.

International as well as local **tour operators, media and blog writers** were invited to visit the West Coast and taken around to the attractions on the West Coast. A **Summer Welcome campaign** was hosted as well as **Networking sessions** and many promotions trended on **social media**.

	<p>Beeld Expo, Johannesburg</p> <p>West Coast Tourism exhibited at the show with Bergrivier & Saldanha Bay from 22-24 Feb. 2019. 25128 Visitors attended the expo.</p>		<p>At the World Travel Market Africa trade Expo, held on 10 – 12 April 2019 at the CTICC, we met with tour operators from the Americas, Asia Pacific and Middle Eastern regions, India, Brazil, Canada and Argentina.</p>
	<p>At the Tourism Indaba held in Durban from 8-10 May 2018, meetings were hosted with operators from Angola, Aus-tralia, Austria, Belgium, Botswana, China, Germany, India, Italy, the Netherlands and the USA.</p>		<p>West Coast exhibited at the Namibia Expo in Windhoek 5 - 8 June 2019, in partnership with Bergrivier & Saldanha Bay. It was once again a great success as 17216 visitors attended the show.</p>
	<p>18269 Brochures and promotional maps were printed and distributed at tourism expos, events and information offices. Although e-marketing is getting more dominant, many travellers still prefer brochures and especially maps.</p>		<p>A Summer Welcome Cam-paign was held on 14 December 2018 in partner-ship with Swartland Tourism to welcome visitors to the West Coast and inform them on the water crises as well as events that were happening over the holiday season.</p>

MEDIA AND COMMUNICATIONS

Introduction:

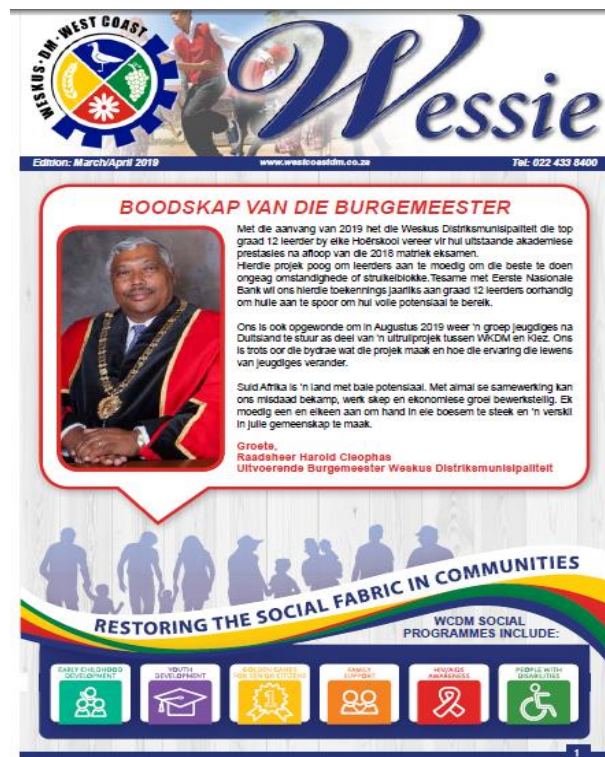
The West Coast District municipality places a high premium on effective and accurate communication to the public and its stakeholders. Improved communication between departments in the municipality enhance collaboration of projects and improves service delivery. Intergovernmental relations between different spheres of government eliminates duplication and foster partnerships.

WCDM Communication platforms include:

- ❑ Quarterly Newsletter
- ❑ Internal Newsflashes and newsletter
- ❑ Social Media platforms
- ❑ Website
- ❑ Brochures and flyers
- ❑ Exhibitions and Community Outreach initiatives
- ❑ Local Media

Quarterly newsletter

The municipality publishes and distributes four external newsletters per year. The newsletters are distributed at libraries, Thusong centre's and other public places.



- ❑ Internal newsflashes and newsletters

Internal newsletters are printed monthly and distributed with the salary slips. All email users receive the newsletter electronically while staff without email access receive the hard copy.

News flashes with notices, news and announces are published via email. A total of 35 News Flashes were distributed for the year under review.

- ☐ **Social media**

WCDM adopted a social media policy which creates a framework for the utilisation of social media platforms as part of the municipality's communication with the public. The municipality is currently utilising Twitter and Sound Cloud and will be implementing Facebook soon.

Social media platforms enable the municipality to get messages out in real time to the public and other stakeholders but also creates a platform to where municipality can follow activities and happenings without delay.

- ☐ **Website**

News, notices, tenders and vacancies are published on the website. WCDM will be launching a new designed website in 2019. This website will be more user friendly and will link up with the municipality's social media pages.

- ☐ **Brochures and flyers**

Brochures and flyers are printed as needed to create awareness in communities.

Themes for this year included:

- ☐ Save Water
- ☐ Restoring the Social Fabric in Communities
- ☐ Fire Awareness

Exhibitions and Community Outreach Initiatives

Exhibitions are held to market the municipality and its tourism offerings as a preferred destination. Community outreach initiatives are done to create awareness. These public relation drives are mostly done in collaboration with local municipalities and other government departments.

- ☐ **Local media**

WCDM has established good relationships with local media, both print and radio. News articles and podcast clips are submitted for publication to all local media for publication. A total of 29 articles appeared in various media during the 2018/19 financial year.

NETWORK24



NUUS



8 in a row for WCDM – first for a W Coast municipality

17 Desember 2018 06:00 | [Weslander](#)

West Coast District Municipality (WCDM) reached a historic milestone when the municipality was awarded an eighth consecutive clean audit by the Auditor-General (AG) of South Africa.

"Annually, municipalities across the country are required to meet specific requirements and to provide assurance of compliance with rules and regulations pertaining to good governance," explains Municipal Manager, David Joubert. "This achievement illustrates the municipality's ability to conform to requirements while at the same time delivering on its assigned mandates.

During a council meeting on 5 December, the Executive Mayor Harold Cleophas and other council members applauded the Municipal Manager, Executive Team and personnel for their commitment and diligence in ensuring that WCDM upheld its own standard of being a municipality with a track record of excellence in public administration.

"I am proud of the personnel and councillors for their hard work and commitment," said Cleophas. "Every year we lift the standards to the next level. Our competent administrators enable us to in-source the compilation of our financial statements, and

SKAKELS

COMPONENT D: COMMUNITY AND SOCIAL DEVELOPMENT

3.7 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

INTRODUCTION

Social Development is about *putting people at the centre of development*, which mean development processes *should benefit people*, particularly but not only the poor. It recognises that people and the way they interact in groups and society and the norms that facilitates it shapes development processes.

In his review of the Integrated Development Plan 2017-2022, the Executive Mayor of the West Coast District Municipality state that *WCDM are positioned to confront the challenges, and as council, provide the necessary leadership for the municipality to address the challenges head on, and to play a supporting and co-ordinating role where this is called for*. He further commit that *addressing the social ills and restoring the social fabric* of the West Coast region, remains a key focus area for this term of office.

The focus of restoring the social fabric of society is captured in the third Strategic objective of the IDP namely to promote the social well- being of the residents, communities and targeted social groups in the District. This is further divided into sub-goals that includes the investment and ensuring of quality services to children, the elderly, persons with disability, strengthening of child protection forums and families and youth development.

1. SANITORY PADS PROJECT

It is a sad reality that in South Africa many young girls miss up to a week of school each month because they have limited access to female hygiene products, specifically sanitary towels. In light of the above, sanitary towels were distributed to rural schools within the west coast district. This was a partnership initiative between WCDM and the Department of Education in the district. The key priority for this particular project is for young girls in schools to have the necessary knowledge, facilities and environment to manage menstruation hygienically and with dignity. This project will assist in ensuring that girl learners do not miss valuable learning time and reduce the school girl absenteeism.

The overall response to this initiative was positive and with very much appreciation from the principals and staff. Some of the schools already had such projects running but affordability has become a problem due to the low income levels of parents and guardians of children.

A need for bins is however experienced because it is a challenge to dispose the sanitary towels in the most hygiene way.



2. YOUTH DEVELOPMENT

The West Coast District Municipality believes that developing our youth into skilled leaders will help our district grow. The following youth development initiatives were implemented to ensure that youth in the West Coast are inspired, educated, responsible, independent, healthy and productive citizens with positive personal, family and social relations.

2.1 Mayoral Top Matric Awards

This initiative is a partnership between WCDM, Department of Education and First National Bank.

On 08 January 2019 the Executive Mayor, Alderman Cleophas, showed appreciation to the top achieving learners from the 23 public schools in the west coast for their performance in the final national certificate examination.



2.2 Learner Summit

WCDM in partnership with Department of Education and FEDSAS hosted a learnersummit on 2 March 2019. Student council representatives from schools in the west coast district attended this summit.

The purpose of the summit was to give leadership training and to discuss the roles and functions of students in the Governing body of the schools they represent. The guest speaker at this summit was Mr Quinton Adams, an educational psychologist who explained to leaders the importance of having leadership training after being elected, the challenges they have to face but that they should move in leadership from good to great.



2.3 Youth exchange programme between WCDM and KIEZ, Germany

In 2014 an agreement was signed between WCDM and the organization Landesverband Kinder-und Jugenderholungszentren Sachsen-Anhalt e.V Kieze, known as KIEZ in Germany.

Through this agreement KIEZ has afforded 13 learners from throughout the west coast during July 2018 the opportunity to attend an educational youth camp in Gernrode, Germany.

The 13 learners and 3 tour leaders joined several youth groups from other countries in Gernrode. They've visited a variety of institutions, government bodies and attractions and participate in numerous teambuilding games and exercises, which contributed to international relationship building among the youth. One such activity was the setting up an exhibition at a "Motto show" that shows off our country, it's traditions and culture with trinkets and samples of goods unique to our area. Together with a presentation through music, song and dance, our learners showcased South Africa and our diverse cultures to the rest of the world.

During October 2018 WCDM hosted a group of German students and adults. For their duration of stay the group were hosted at Ganzekraal Holiday Resort. They were exposed to various towns and tourist attractions throughout the west coast.

The "home-stays" remains one of the most exciting parts of the exchange programme. During the weekend of 5- 7 October 2018 German students were hosted by West Coast families. They had the opportunity to experience what it is like to be South African by having traditional meals, socializing, visiting family members while experiencing a range of authentic experiences. The culture exchange has proven to

be enriching and enhance tolerance and understanding of the differences and similarities which exist between the two countries.

This partnership between WCDM and KIEZ is in support of restoring the social fabric in communities (the theme adopted by the Executive Mayor) by creating a platform for youth to exchange experiences which can change the social challenges within communities and enhance their abilities to rise above their circumstances.

3. ELDERLY PROGRAMME

WCDM strives to maintain and protect the status, wellbeing, safety and rights of older persons. This project also aims to promote and create an enabling environment for the elderly to participate actively in a healthy lifestyle, wellness and cultural activities. WCDM acknowledges the valuable contributions that elderly persons have made in communities across the district.

As a District we believe in intergenerational solidarity, whereby we appreciate the continued contribution of the elderly and also assure that they experience active aging.

3.1 Golden Games

The Golden Games is a Sport and Recreation Programme to promote active ageing for persons 60 years and older and for persons with disabilities. Activities include 100m, 200m, 400m and 800m run, goal shooting, ball relay, ring-the-stick, passing-the-ball and various other activities designed to promote participation of people with disabilities.

The Games encourage older persons to live healthy lifestyles by participating in sport and other social initiatives. The Games are also a way to encourage all South Africans to provide support to older persons by helping them live healthier.

World Health Organization's (WHO) definition of active ageing provides a holistic context within which the Golden Games as a programme could be presented. The WHO definition of active ageing is: "The process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age. It applies to both individuals and population groups." (WHO, 2002 Active Ageing as a policy framework).

The Golden Games programme is an opportunity where the elderly can participate in games, fitting to their age and abilities, restoring their sense of self-worth and developing networks of caring and support that impacts their livelihood positively.

The West Coast Golden Games took place on 30 August 2018 at the Pella Park Sportsground, Porterville. The games are a partnership between the WCDM, the 5 B-Municipalities, DCAS, DSD and service centers within the west coast. 750 Elderly from all over the district participated in this event.

The formidable spirit demonstrated by the elderly when they defy age and challenge themselves to play sports is truly inspiring for younger persons.



4. DISABILITY PROGRAMME

The WCDM aims to improve the livelihoods of people with disabilities and to address social barriers that exclude them from the various systems of society. Accessibility is important to achieve the principles of full inclusion, equality and participation in mainstream society.

4.1 Municipal Games

WCDM in partnership with SALGA and Bergrivier Municipality initiated the pilot project in the Bergrivier Municipal area. The focus is specific on people living with disabilities and children from the ECD sector which make the event more intergenerational.

The event took place on 26 March 2019 and was attended by about 200 persons, consisting mostly of people with disability, their family members and carers, as well as children from the ECD sector, different creches in Piketberg with their teachers and parents. The event kicked off with an awareness march from the local clinic to the cricket field where the games took place. After contributions from DSD, Bergrivier

Municipality and speakers from the disability and ECD sectors, a dialogue was hosted by SALGA about the accessibility of buildings for people with disabilities and other challenges they experience with the services rendered to them in the community. Some of the challenges that was highlighted were: the lack of facilities that cater for the needs of the elderly like a day care centre in the area that cater for the needs of children and adults; lack of transport for the disabled; government and municipal buildings that is not disabled friendly; recreational facilities and events for the disabled; moving away from the one day dedicated to the disabled approach (Annual Disability Day in December) to more events and programmes that focus right through the year on them.



5. EARLY CHILDHOOD DEVELOPMENT

WCDM's aim with regards to ECD is to support ECD centres and enable them to create a conducive environment for young children to learn and grow.

Early Childhood Development facilities should comply with certain criteria to qualify for government funding. Upgrades or compliance checks are often unaffordable for these facilities and therefore many of these facilities are not eligible for funding. WCDM played an active role to assist these facilities to become compliant.

On 23 – 24 May 2019 a West Coast Early Development Conference was held at Protea Hotel in Saldanhabay. This conference, as a WoSA initiative, was directed at improving the standard of service delivery to children, through developing a collaborative approach with all relevant stakeholders, which included local, provincial and national government, state-owned institutions, the private sector and civil society.

The major outcomes of the said conference through an integrated development planning approach via WoSA was to, create an environment where children can grow, thrive and be able to be better prepared for their future roles and responsibilities as functioning, well-adjusted adults within the Saldanha Bay Municipal area and the West Coast as a whole. It was a small step towards the reinstatement and realisation of the forgotten adage "It takes a village to raise a child".

6. SUBSTANCE ABUSE

The devastating consequences of substance abuse and the adverse accompanying impact it has on the social and economic capacity of communities within the West Coast has not only been deeply felt and experienced but continues to escalate at an alarming rate.

WCDM assisted and support various municipalities in the West Coast in rolling out LDAC projects focussed on influencing decision – making through Persuasive Communication, Social and Life Skills Education and promoting Lifestyle Choice Alternatives.

7. PHELOPEPA TRAIN

The PHC Train delivers affordable, accessible and mobile health services, it supports existing health services in the areas and focus mostly on local communities in South Africa. The PHC Train was until 2017 residing in the Transnet Foundation but is since then part of the Transnet Freight Rail (TFR) although it remains a flagship initiative (CSI) of Transnet.

The Sesotho and Setswana word Phelophepa means good and clean health. The PHC Train project initially started with 4 carriages and mainly as an eye clinic but consist today of two locomotives with 19 carriages. It has 5 clinics, sleeping rooms, kitchen with dining hall, laundry and offices. A fleet of vehicles accompany the train to every station.

The PHC train works for 35 weeks and render the following services:

- ❑ It treats more than 58 000 individuals
- ❑ 1 500 patients are registered and serviced per week
- ❑ 300 000 people are reached with its outreach programme
- ❑ 1 200 final year students do voluntary service on the train
- ❑ 1 598 temporary job opportunities are created which amounts to 80 per station

The train visited the following West Coast towns:

- ❑ Piketberg 17-21 September
- ❑ Klawer 24-28 September

WCDM supported this initiative by mobilising people from identified towns and surrounding areas, provided transport and a food parcels to patients.



8. COMMEMORATION OF 16 DAYS OF ACTIVISM ON NO VIOLENCE AGAINST WOMEN AND CHILDREN

The purpose of the event which took place on 8 December 2018 was to get members from the community effected by gender base violence and Government departments

together in a workshop to discuss what the departments can do to better the working relationship between the departments and the community.

This initiative was a partnership between WCDM, Department of Health, Department Social Development, Department Educations and SAPS who each shared what they have to do to assist victims of gender base violence and identified all the short comings within the various spheres dealing with victims of violence.

Table 3.7.1: Employees: Social Development

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	1	1	0	1	100%
10-12	3	3	3	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	5	5	4	1	20%
T3.7.1					

Table 3.7.2:: Financial Performance: Development

Financial Performance Development					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	63 422	37 000	133 321	133 321	0%
Expenditure:					
Employees	2 530 354	2 971 683	3 038 868	2 882 496	5.15%
Repairs and maintenance	-	-	-	-	-
Other	465 754	531 896	527 465	379 615	28.03%
Total Operating Expenditure	2 996 108	3 503 579	3 566 333	3 262 111	8.53%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.7.2

COMPONENT E: ENVIRONMENTAL PROTECTION

3.8 ENVIRONMENTAL INTEGRITY

3.8.1 INTRODUCTION BIO-DIVERSITY, LANDSCAPE AND COASTAL PROTECTION

STRATEGIC OBJECTIVE

Managing the Biodiversity/Environmental Integrity Section within the West Coast District Municipality to ensure holistic, strategic and effective Environmental Management services are sustainably implemented within the West Coast District.

PURPOSE

Ensure that the requirements of the Constitution and the National Environmental Management Act (NEMA) and its SEMA's are met and that the right to a healthy and safe environment, are adhered to at all times in order to ensure an effective, sustainable and efficient Environmental Management service within the District Municipality.

PERFORMANCE HIGHLIGHTS & COMMENTS

NEW CLIMATE CHANGE RESPONSE AND ACTION PLAN FOR THE WCDM

The West Coast District Municipality was recently able to internally review and update their Climate Change mitigation and adaptation plan into a response and action plan.

The National Department of Environmental Affairs (DEA) in partnership with GIZ and with support from the Western Cape Climate Change Municipal Support Programme hosted a few joint workshop on Climate Change Adaptation during 2018/19. District Municipalities were given the opportunity to present the status of mainstreaming their Climate Change Response Plans and Frameworks. The workshop also provided an opportunity to identify areas of support required going forward with regards to Climate Change Adaptation in the District and Local Municipalities. During this process a website was created to share Climate Change Information. The purpose of this website (<http://www.letsrespondtoolkit.org/home>) is to provide stakeholders with information and tools to respond to climate change at a local level in South Africa. The website has been developed through the Local Government Climate Change Support Program (LGCCSP), an initiative of the Department of Environmental Affairs and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.³

The Lets Respond Toolkit further provides stakeholders with an introduction and overview on how to integrate climate change into municipal planning processes.

INTEGRATED COASTAL MANAGEMENT (ICM ACT 24 of 2009)

The West Coast District Municipal Coastal Management Plan (CMP) as well as a CMP plan for each local municipality is currently being co-funded and reviewed in order to complete the 2nd generation CMP for the WCDM and local CMP's for the local Municipalities - which needs to be reviewed every 5 years in terms of the Integrated Coastal Management Act (ICMA). A Steering Committee was already appointed which were represented by all the local municipalities within the district, which oversees the review of the documents with the support of the appointed consultants. Once the final CMP for the district is compiled as well as the local CMP's for the local municipalities, these plans will be adopted and approved by all the various municipal Councils for implementation. The implementation of the CMP will also be monitored by the WCDM Municipal Coastal Committee (MCC) which consist of all local municipalities and reports to the Provincial Coastal Committee (PCC) at DEA&DP.

The West Coast District Municipality's Municipal Coastal Committee (MCC) meets quarterly and reports quarterly to the Provincial Coastal Committee (PCC). Various Coastal and Environmental Management actions and functions performed within the West Coast are reported and illegal activities and transgressions escalated to the various Environmental Dept's for their attention. EPWP funding of R200 000.00 was used during the 2018/19 financial year to assist with job creation and coastal management functions within the coastal environment.

EPWP Environmental Sector Coastal Management teams are all assisting with the implementation of Coastal Management functions as per WCDM Coastal Management Plan (ICM Act).



EPWP Participants performing various Environmental & Coastal Management maintenance functions within the coastal zone

EPWP PROJECTS – EAC/Social/Infrastructure (Coastal Management/Alien Clearing)

Excellent progress were made during 2018/19 regarding the removal of alien aquatic vegetation (waterhyacinths and water lettuce) from the Bergriver/Misverstand area. This EPWP – Environmental Sector Project - is run in partnership with the Lower Berg River Irrigation Board, and the project still focuses on the removal of aquatic weeds and smaller terrestrial alien trees within the riparian area.

Funding from the Department Public Work's EPWP Program to the total value of R1 047 000.00 was spend during the 2018/19 financial year and funding to the value of R1 027 000.00 is allocated to the West Coast District Municipality for the new 2019/20 financial year as stated in the DORA.



Various EPWP teams undergoing First Aid, Herbicide and Health & Safety Training



EPWP participants performing various environmental functions – Clearing of Alien Vegetation work within the Environmental Sector of the EPWP Programme

ENVIRONMENTAL COMPLAINTS, INSPECTIONS AND FOLLOW UPS

Various environmental complaints and administrative issues were received and followed up with assistance from various Provincial and National Departments and role-players, such as DEA, DEADP, DAFF, DWS and CapeNature regarding pollution, emergency incidents, illegal and unauthorized activities within the West Coast District Municipality, which have a negative effect or impact on the natural environment and biodiversity.

The WCDM assisting DEADP on their request with Environmental Compliance inspections and site visits to address environmental issues related to environmental and water pollution within the West Coast region, especially during the drought period when illegal structures and activities were undertaken during the 2018/19 financial year.



Photographic evidence 1: Small dam/pond excavated in the bank of the watercourse



Photographic evidence 3: Excavation of a trench/ channel and infilling adjacent to the trench/ channel, within the watercourse.

Evidence collected during an Intergovernmental law enforcement BLITZ operation on the Berg River



Illegal structures within the Coastal Zone and activities happening within the coastal environment, which get reported to the various Government and Environmental Dept's

ENVIRONMENTAL EDUCATION & AWARENESS RAISING

The WCDM performed various Environmental Education and Awareness Raising events during the 2018/19 financial year. Events included International Coastal Cleanup (ICC) campaigns – where litter was cleaned from West Coast beaches by voluntary organizations, school kids and environmental associations and groups, Marine Week Celebrations – where school kids were made aware of their marine environment, Arbour Month – where various trees were received by DAFF and planted by EPWP workers in partnership with the youth and members of the public to create awareness and to improve greening of their natural environment – which also relates to climate change, removing alien vegetation and replacing it with indigenous vegetation which uses less water.



EPWP participants performing various environmental functions – Greening, Environmental Education & Maintenance work



EPWP participants performing various environmental functions – Greening & Cleaning and Environmental Education with School Kids and during site visits with DPW



International Coastal Clean-up Campaigns during Marine Week with the youth and school kids along the West Coast during 2018/19

CHALLENGES

Challenges exist in the form of capacity and resource constraints as the Environmental Section only consist of one official. Most other municipalities also require the assistance and expertise of environmental officers and then rely on the WCDM to assist. The Environmental Management Section further only rely on EPWP Grant Funding and one environmental official to perform Environmental Management Projects throughout the District Municipality.

Table 3.8. 1: Financial performance: Pollution Control (R'000) – EPWP GRANT FUNDING

Financial Performance: EPWP					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 009 836	1 047 000	1 047 000	1 047 000	0%
Expenditure:					
Employees	601 985	670 140	735 140	880 609	(19.79%)
Repairs and maintenance	-	-	-	-	-
Other	385 190	376 860	311 860	166 391	46.65%
Total Operating Expenditure	987 175	1 047 000	1 047 000	1 047 000	0%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
					T3.8.1

Table 3.8. 3: Financial performance: Working for water (R'000) – EPWP GRANT FUNDING

Financial Performance: Working For Water					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 100 000	-	-	-	-
Expenditure:					
Employees	886 010	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Other	113 348	-	-	-	-
Total Operating Expenditure	999 358	-	-	-	-
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
					T3.8.3

COMPONENT E: ENVIRONMENTAL PROTECTION

3.9 POLLUTION CONTROL

3.9.1 INTRODUCTION

The National Environmental Management Air Quality Act, 2004 (Act 39 of 2004) (NEM: AQA) came into full effect on 1 April 2010.

As per Chapter 5 of NEM: AQA the main objective for District Municipalities is to regulate listed activities and controlled emitters.

The National Framework was reviewed and published on 26 October 2018. This framework details the mechanisms, procedures, roles and responsibilities of each sphere of government to achieve the objectives of the Air Quality Act, in order to improve and maintain the quality of ambient air.

STRATEGIC OBJECTIVE

An Air Quality Management Plan (AQMP) was approved by Council in November 2011 and included in the IDP. The AQMP is currently under review. An Air Quality Management By – law for the WCDM has also been gazetted on 06 September 2013.

The following issues were identified in the current AQMP that require attention. These objectives may change in the reviewed AQMP:

INTERVENTION	TIME FRAME	IMPLEMENTATION
Implementation of human resources		
Appoint Manager Air Quality Officer	Short term	Manager: Air Quality officially placed: 01 May 2018
Appoint an Air Quality Officer	Short term	Senior Air Quality Officer appointed 01 March 2019
Appoint an Air Quality Technician	Short to medium term	Not implemented. Personnel structure to be amended to make provision for second Air Quality Officer to be appointed in future. This should receive attention during the 2019/2020 financial year.
Implementation of Air Quality Management Tools		
Emissions Inventory	Short to long term.	DEA published legislation and established an internet based national atmospheric emissions inventory system requiring industry and local government to report to the system on an annual basis. The emissions inventory for the District consists of listed activities licenced in terms of NEM: AQA. This is currently in place and maintained.
Dispersion modelling	Medium to long term	When required external expertise will be appointed to conduct dispersion modelling. Will have to budget for this.
Implementation of Air Quality monitoring		
Ambient air quality monitoring network	Medium to long term.	Ambient air quality monitoring is done by: Industry in Saldanha, Saldanha Bay Municipality and Provincial Government having a station in St Helena Bay and Malmesbury. Saldanha Bay Municipality established an ambient monitoring network comprising of two monitoring stations for criteria pollutants as well as seven dust fallout monitors. The

		District has entered into a MoU with Local Municipalities to facilitate future ambient air monitoring initiatives. The WCDM has installed an ambient air quality monitoring station in Laaiplek to measure the H2s. Due to the rapid increase of industrial and residential development within the district area as well as the increase of trucks transporting hazardous material from Northern Cape to Saldanha Bay, additional monitoring is required to gain a base line of the current status of air and monitor the trends. This will assist in identifying threats to human health and the environment and to implement corrective measures. A budget will be required.
Emission Reduction / Control Strategies		
Reduce / control domestic fuel burning	Short to long term. Local Municipalities to address.	Promote the use of renewable energy and create awareness. This issue is still to receive attention.
Control of transportation emissions.	Short to long term. Local Municipalities in terms of By-laws.	Do vehicle count and diesel vehicle testing. To be further discussed between District and Local Municipal Air Quality Officers during JMAQWG meetings.
Control of emissions from mining activities.	Short to long term. Local Municipalities with assistance from District and Province.	Control of dust. Local Municipal Air Quality Officers to work with DMR by applying National Dust Control Regulations and request dust control plan and dust fallout monitoring. To be further discussed at JMAQWG meetings.
Control of emissions from agricultural activities.	Local Municipalities with assistance from District and Agriculture.	Control of dust and open burning in terms of Local Municipal By-laws. Is receiving attention through interaction with Provincial Department and Agriculture. Local Municipal Air Quality Officers also encouraged through the JMAQWG meetings to provide input when applications for burning permits are considered by WCDM Fire Chief.
Control of emissions from industrial activities.	Short to long term. District and Local Municipalities responsibility.	Licensing of listed activities done by District. Emissions standards enforced through issuing of licences. Emissions from small fuel burning appliances and non-listed industrial activities to be controlled by Local Municipalities through application of their Air Pollution Control By-laws. Local Municipalities are to maintain an inventory system.
Control of emissions from waste treatment disposal activities.	Short to long term. Local Municipalities with assistance from District and Provincial Government.	Landfills still to be properly controlled by Local Municipalities with assistance from District and Provincial Government in terms of the Waste Act.
Control of emissions from biomass burning i.e. veld fires.	Short to long term. Local and District Municipality's responsibility.	Strict control over veld fires whether naturally occurring or due to planned burning should be implemented. Local Municipal Air Quality Officers encouraged through the JMAQWG meetings to provide input when applications for burning permits are considered by WCDM Fire Chief.

A Memorandum of Understanding (MoU) has been entered into between District and Local Municipalities and a Joint Municipal Air Quality Working Group (JMAQWG) has been established during February 2015. The division of functions between District and Local Municipalities has been finalised and included in the MoU which also serves as terms of reference for the working group. The JMAQWG meets on quarterly intervals.

With regards to the implementation of the AQMP it is important to note that a Manager: Air Quality and Senior Air Quality Officer has been appointed and that awareness raising is being done through the establishment of working groups and environmental stakeholders forums.

The main function of the West Coast District Municipality is the licensing of listed activities assigned to it in terms of the National Environmental Management: Air Quality Act. Emission standards established in terms of the Air Quality Act are enforced through licence conditions.

PURPOSE

To protect the environment by implementing reasonable measures and to ensure that the objectives as per the Air Quality Act are met.

CHALLENGES

Fishmeal production gives rise to offensive odours that result in public complaints. These industries are regulated through licence conditions and are required to apply best practices to control odorous emissions. These industries have installed abatement equipment to address the odours but certain chemicals found naturally in fish are unfortunately untreatable. The best measure is to ensure that the raw fish is of good quality when processing.

The storage and handling of iron ore by Transnet Port terminals result in staining of private and public property. The staining issue has resulted in the establishment of an action group by certain public members. Currently Transnet is compensating those whose property is severely affected.

Another recent serious problem is the establishment of manganese handling and storage facilities within the Saldanha Bay area. These facilities store under the 100 000 ton threshold which excludes them from requiring an atmospheric emission licence. The local municipalities use their by-laws to manage these facilities but with limited conditions. The accumulative effect is a great concern. During the provincial Air Quality and Noise Forum held on 16 – 17 May 2019 the matter was discussed and it is strongly suggested that Town Planning become more involved in understanding air quality when issuing land-use permits.

The lack of budget, staff and resources remains a challenge especially with the rapid increase of industry and residential development. Additional air quality monitoring equipment is required to monitor the atmospheric trends and identify threats. As the workload and number of activities is increasing additional staff is required to ensure that the enforcement of the municipal mandate as per the Air Quality Act does not lack. A budget is greatly needed as air quality resources is quite expensive to install and maintain.

PERFORMANCE HIGHLIGHTS

The WCDM has twenty one (21) licenced activities operating within the WCDM area. During 2018 the following licences were issued:

- ❑ 3 Final AELs renewed
- ❑ 1 Provisional AEL renewed
- ❑ 3 Provisional AELs converted to final AELs
- ❑ 2 New listed activities each receiving a Provisional AEL

During June 2018 a compliance inspection was conducted at Saldanha Steel between the WCDM and the National Department Environmental Affairs. One of the findings is that dust generated from operations and within the waste areas are to be addressed.

The Manager: Air Quality was appointed on 01 May 2018.

COMMENTS

It is strongly requested that a budget for resources, including staff and monitoring equipment pertaining to air quality be provided in order to achieve legislated objectives and provide good quality work.

COMPONENT F: ENVIRONMENTAL HEALTH, FOOD INSPECTIONS AND FOOD QUALITY

3.10 ENVIRONMENTAL HEALTH

3.10.1 INTRODUCTION

STRATEGIC OBJECTIVE

Managing Health and Environmental Services efficiently and effectively.

PURPOSE

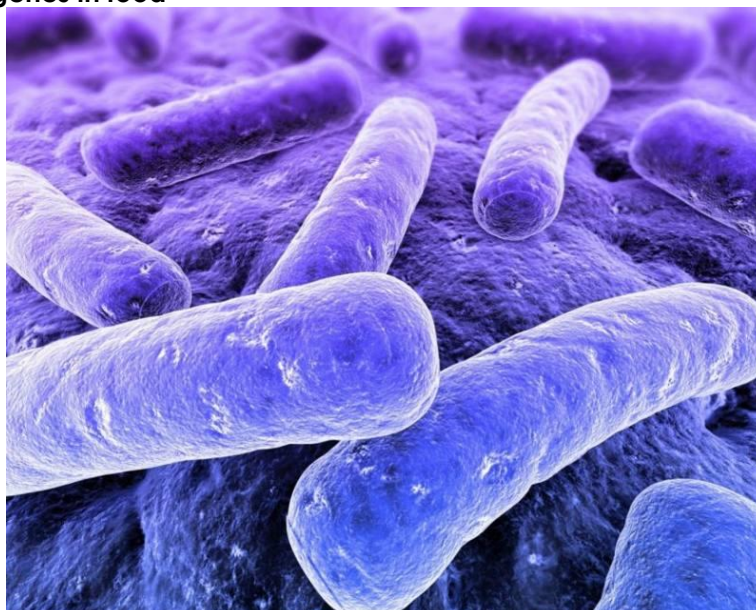
Responsible for, and coordinate Municipal Health Services, to ensure a healthy environment for the whole West Coast region

CHALLENGES

To ensure an environment that is conducive to promoting performance and motivational levels of staff, while maintaining discipline, and managing and monitoring performance, thus enabling the division to contribute positively to other departments and the municipality's key strategic performance objectives/indicators.

PERFORMANCE HIGHLIGHTS:

Listeria monocytogenes in food



Nationally 1033 cases have been reported, with the final outcome data that is available for 691 of these cases and 193 deaths (193/691). Out of the fatality rate of 28% (13 April 2018), the Western Cape has (12%) 125 cases and 29 deaths with a 23% fatality rate.

The number of reported cases per week has decreased since the implicated products were recalled on 04 March 2018 with a total of 64 cases reported since 5 March 2018 (average 6.4 cases/week), whereas 249 cases were reported for the 10 week period prior to the recall (average 24.9 cases/week).

“Eighty-five percent of the people reported consuming ready-to-eat processed meats, of which polony was the most common, followed by viennas, sausages and other cold meats.

Listeriosis is a notifiable medical condition, and all registered cases are investigated by the Environmental Health Practitioners. Samples were and are still taken for *Listeria monocytogenes*. Some results did test positive for Listeriosis, but never for the specific strain of *Listeria monocytogenes*. The Environmental Health section of the West Coast District Municipality was actively involved in monitoring suspected premises, and visited approximately 50 food premises per week between April 2018 and April 2019, reporting to the National Department of Health.

In the West Coast District Municipal area, 4 cases were reported, one in Malmesbury, who unfortunately died before it could be investigated, one in Klawer, two cases in Lutzville, and one case in Vredenburg.

COMMENTS

Environmental Health

To be aware of the constitutional right of every person to an environment that is not harmful to his or her health or wellbeing, and the principles that underlie the National Health Act, 2003 (Act 61 of 2003) as well as the National Environmental Management Act, 1998 (Act 107 of 1998), the WCDM, through an environmental health thrust, aims to protect and promote the health and wellbeing of all our residents in the West Coast District by providing, in conjunction with applicable laws, “a sustainable, effective and responsible environmental health service.”

The Constitution notes the issue of MHS under Schedule 4B, and Section 156(1), as a local government function. Municipal Health Service is a term that evolved in SA to define the package of ‘**health services**’ to be rendered by local government. Therefore, MHS is subsequently defined in the National Health Act, 2003 (Act 61 of 2003) as a component of ‘**health services**’, whilst it covers most aspects of environmental health services

Section 24 of the Constitution of South Africa, 1996 (Act 108 of 1996) states that everyone has the right:

- (a) to an environment that is not harmful to their health or well-being; and
- (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that—
 - (i) prevent pollution and ecological degradation;
 - (ii) promote conservation; and
 - (iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The health continuum covers the entire spectrum of health care services, from health promotion till the curative care components, such as socio-medical care.

Environmental health services in particular covers the preventative component which covers both health promotion and disease prevention. Although health policies such as the Re-engineering of Primary Health Care and the National Health Insurance mainly recognise the role of the Environmental Health Practitioner (EHP) as part of ‘Clinic Outreach Teams’, it nullifies the role and impact of the EHPs in preventing ill health at the source of the origin of pollution, epidemiological outbreaks and so forth, where their interventions are focused, amongst others, at basic municipal services, such as ensuring safe and sufficient water, sanitation and food provision and so forth. One cannot continue educating communities and treat them, whilst no or very little effort is put into addressing the risks in the communities. Sending them back or allowing communities to live in filthy conditions.

Environmental health “means a condition of optimal wholesomeness of the environment in which man exists and interacts with through the lowest possible presence therein or total absence of any stimuli detrimental to human health”. The environmental health responsibility is, therefore, the identification, evaluation, control and prevention of those factors that can be detrimental to people’s health and wellbeing.

In terms of Section 1 of the National Health Act, 2003, Act 61 of 2003, Municipal Health Services (Environmental Health services) were declared to be:

1. WATER QUALITY MONITORING

Definition:

Monitoring and surveillance of water quality and availability that is intended for human consumption, recreational and industrial use

2. FOOD CONTROL

Definition:

Food Control is described by the World Health Organization (WHO) as a mandatory regulatory activity of enforcement by National or Local Authorities to provide consumer protection and ensure that all foods during production, handling, storage, processing and distribution are safe, wholesome and fit for human consumption; conform to quality and safety requirements and are honestly and accurately labelled as prescribed by law

3. WASTE MANAGEMENT

Definition:

Monitoring of waste management systems, refuse, health care waste, hazardous waste and sewage

4. HEALTH SURVEILLANCE OF PREMISES

Definition:

The identification, monitoring and evaluation of health risks, nuisances and hazards and instituting remedial and preventative measures

5. SURVEILLANCE & PREVENTION OF CONTAGIOUS DISEASES, EXCLUDING IMMUNISATION

Definition:

- i. ☐ The identification, monitoring and prevention of any disease, which can be communicated directly or indirectly from any animal or through any agent to any person or from any person suffering there from or who is a carrier to any other person

6. VECTOR CONTROL

A vector is any organism (insects or rodents) that can transmit a disease from one to another

Definition:

Monitoring, identification, evaluation and prevention of vectors

7. ENVIRONMENTAL POLLUTION CONTROL

Definition:

- a. ☐ The identification, evaluation, monitoring and prevention of land, soil, noise, water and air pollution
- b. ☐ The National Health Act, 2003 (Act 61 of 2003) refers to pollution as per definition in section 1 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) which defines pollution as;
- c. ☐ any change in the environment caused by –
 - (i) ☐ substances;
 - (ii) ☐ radioactive or other waves; or
 - (iii) ☐ noise, odours, dust or heat

- d.□ emitted from any activity, including the storage or treatment of waste or substances, construction and the provision of services, whether engaged in by any person or an organ of state, where the change has an adverse effect on human health or well-being or on the composition, resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future;

8. SAFE HANDLING OF CHEMICAL SUBSTANCES

a.□ **Definition:**

- b.□ The monitoring, identification, evaluation and prevention of risks relating to chemicals hazardous to humans (e.g. storing and using agricultural substances)

9. DISPOSAL OF THE DEAD:

- Ensure the proper and humane burial of pauper and unclaimed corpses
- Ensure the proper disposal of the dead during diseases
- Monitor the process during exhumations and reburial of corpses to ensure proper and hygiene procedures and disinfection of the environment and equipment

Although these are pursued very effectively, there are a few pertinent issues that need to be addressed.

Additional Posts

The newly promulgated National Norms and Standards for Environmental Health (24/12/2015) stipulates that Municipalities must provide operational staffing in line with the National norm of 1:10 000 Environmental Health Practitioners per population. To adhere to this stipulation, another 14 Environmental Health Practitioners post must be provided for on the Councils organogram.

Legislation

To ensure the optimal use of environmental health practitioners to reach our goal of an environment that is not harmful to the health and wellbeing of all the people in the West Coast, the following legislation/documents must still be implemented/promulgated:

- Approval of admission-of-guilt fines by the Magistrates Courts in the West Coast area of jurisdiction
- Revise Councils by-laws and regulations

The above will definitely contribute to a more efficient service and quality of health.

Table 3.10.1: Employees: Environmental Health –Health Inspection, Environmental Integrity, Air Quality

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0–3	4	4	4	0	0%
4–6	0	0	0	0	0%
7–9	1	1	1	0	0%
10–12	24	24	23	1	4%
13–15	7	7	7	0	0%
16–18	1	1	1	0	0%
19–20	0	0	0	0	0%
Total	37	37	36	1	3%
T3.10.1					

Table 3.10.2: Financial performance: Environmental Health (R'000)

Financial Performance: Environmental Health					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	7 968 769	8 389 000	8 436 203	8 881 980	(5.28%)
Expenditure:					
Employees	18 510 786	20 377 777	20 310 373	19 108 492	5.92%
Repairs and maintenance	-	-	-	-	-
Other	2 547 304	3 537 236	3 737 152	3 721 629	0.42%
Total Operating Expenditure	21 058 090	23 915 013	24 047 525	22 830 122	5.06%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					
T3.10.2					

Table 3.10.3: Financial performance: Landfill sites (R'000)

Financial Performance: Landfill Site					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	450 000	450 000	0%
Expenditure:					
Employees	-	-	-	-	-
Repairs and maintenance	-	-	-	-	
Other	-	-	450 000	450 000	0%
Total Operating Expenditure	-	-	450 000	450 000	0%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					

T3.10.3

COMPONENT G: SECURITY AND SAFETY

3.11 FIRE SERVICES

3.11.1 INTRODUCTION

The 2018/2019 season was a very quiet season for the West Coast District Municipality Fire and Rescue Services in comparison what was experienced in other Districts of the Western Cape Province. Huge mega fires were experienced in George, Bettys Bay, Franskraal and Franschoek. Despite good rains that was received during the winter months the drought is still present in some of the areas within the boundaries of the West Coast District Municipality. For the 2018/2019 summer season a total of only 4 400 hectares were burned. This is substantially less than what was burned the previous season. Of the fires encountered within the District, four of these fires crossed over our boundary from neighbouring Municipalities. Three fires came from the City of Cape Town into our area and one fire crossed over from the Cape Winelands District Municipality. Only 2 of the fires attended to burned more than 1000 Ha. The largest of these fires occurred at Citrusdal in the Koue Bokkeveld. During this fire a total of 2522Ha were burned, which was mostly Fynbos.

STRATEGIC OBJECTIVE

VISION STATEMENT: (WCDM FIRE AND RESCUE SERVICE)

"A professional and recognised Fire and Rescue Service for the citizens of the West Coast District Municipality and beyond its borders".

MISSION STATEMENT: (WCDM FIRE AND RESCUE SERVICE)

"To prevent and minimize the loss of life, property and damage to the environment through the delivery of an effective and efficient fire service to the residents of the West Coast District Municipality in order to protect them from any dangerous situations".

The Strategic Master Fire Plan for the West Coast District Municipality Fire and Rescue Services were reviewed and accepted by Council on the 23rd of May 2018. In this plan there are key objectives listed in order to ensure that the Fire and Rescue Service of the West Coast District Municipality fulfil its roles and responsibilities as assigned to it through the Constitution (Act 108 of 1996), The Municipal Structures Act (Act 117 of 1998), the Fire Brigade Services Act (Act 99 of 1987) and the National Veld and Forest Fire Act (. The objectives of WCDM Fire and Rescue Services, as listed below also strives to meet the objectives as set out within the IDP of the West Coast District Municipality.

KEY OBJECTIVES: Customer

In order to achieve this objective this Department will strive to extend the service to all its area by planning to phase in and building of new Fire Stations in order to comply with PDA.

Sustaining and upgrading the existing services.

Minimizing response time to reported incidents of fires.

Initiating Community Fire Safety Programmes.

Ensuring community preparedness. Community Fire Safety Plans.

KEY OBJECTIVES: Sustainable Communities

Fire Safety and Fire Prevention Strategic Planning.

Enforcement of Fire Protection Regulations and relevant applicable legislation.

Risk Reduction Strategies.

Developing cooperation agreements and close working relationships with government and non – government agencies

Adequacy of By - Laws

Public Fire Education.
Scholar Education.
Industry, Agricultural and Commerce Emergency Readiness Training.
Community Based Fire Awareness Training.
Vulnerability and Risk Assessment Audits.
Cooperation agreements
Review Fire Safety By – Laws.

KEY OBJECTIVES: Improved Infrastructure

Financial control by ensuring that the vehicle and equipment maintenance budget are kept within expenditure guidelines.
Proper maintenance of physical resources used by the department. Fleet Management Programme to detect problems early and put preventative measures in place to reduce downtime and other time wastages.
Review cost effectiveness of services.
Replacement policy of infrastructure.
Business confidence survey in fire service delivery.

KEY OBJECTIVES: Access to Job Opportunities

Lead, direct and manage staff within the unit so that they are able to meet their objectives.
Job Descriptions.
Performance Plans which is inclusive of all members.
Facilitate the Skills Development Plan for the Department.
Manage the Skills Development Programme for the Department.
Exchange programs with Local, Inter – Provincial and possible international fire services
Succession Planning.
Progress Reports.

PURPOSE

The purpose of the West Coast District Municipality Fire and Rescue Services Strategic Master Fire Plan is to establish a Fire Brigade Services in terms of the firefighting functions as allocated by Section 84 (1) (j) of the Municipal Structures Act and in accordance with SANS 10090:2003; excluding the functions assigned to the Local Municipalities.

West Coast District Municipality Fire and Rescue Service will keep on striving to do more for the citizens within our boundaries than just getting the basics right. Ongoing training, research into fire behaviour and the biomes encountered as well as upgrading and maintenance of our fleet and equipment ensures firefighters are capable of delivering the best possible outcomes in firefighting, rescue and community safety for the citizens of the West Coast District Municipality. However, understanding the bigger picture is of the utmost importance for every firefighter. For this Department to be truly successful in it's endeavours, everyone involved needs to understand the increasingly complex environment in which they operate. Every member of the West Coast District Municipality Fire and Rescue Service needs to know why they are doing what they do and the implications of their actions.

This strategic master plan seeks to inform West Coast District Municipality Fire and Rescue Service Officers and firefighters, as well as council, of our roles and responsibilities, resources and capabilities as well as our shortcomings. Learning and applying this will help to build a safer community.

CHALLENGES

Staff: As was mentioned in the previous report and outlined in the strategic master plan, the shortage of staff poses a huge challenge to the effective and efficient service rendered to our communities as this Department cannot currently man the vehicles in its fleet properly. Currently on most of the shifts at the various Fire Stations there are only 2 or 3 persons on duty. According to the standards as set out in the SANS 10090, the manning level for a Medium pumper must be a minimum of 4 persons and for a major pumper 5 persons. The manning levels on these vehicles also makes it impossible to properly use and set up some of the equipment conveyed on these vehicles. During the summer season when battling huge wildfires, it also leads to staff working excessively long hours which could lead to serious injuries or even fatalities due to staff being fatigued. The shortage of staff also impacts very negatively on the overtime expenditure of this Department. During the 2018/2019 financial year a commitment was made by Council to try and boost this Departments staff level by agreeing to appoint 4 new staff members every 6 months for the next few years.

Budget: The shortage of not just operational but capital budget has a negative impact on the service delivery of the Fire Services. It therefore becomes very strenuous on the Department and its staff to achieve the strategic objectives as set out in the Strategic Master Fire Plan. Shrinking of the operational budget due to rising costs also makes it difficult to properly maintain and service our current fleet, equipment, buildings and replacing aging fleet and equipment. Another crucial impact of insufficient funding is the inability to implement projects, identified through strategic planning, in order to minimize the risk of damage to property and the environment during wildfires as well as preventing injury and death, not only to the citizens within the communities affected, but to our firefighters as well.

The MOU: The current MOU's in place with the 5 Local Municipalities within the boundaries of the West Coast District Municipality came to an end on 30 June 2018. This decision was not made without proper consultation with all the Local Municipalities within the boundaries of the West Coast District Municipality. It became a huge challenge to this Services, rendering Fire Services to these Local Municipalities without any remuneration received for services rendered. However, the Local Municipalities of Matzikama and Cederberg, which has limited to no capacity, decided to provide funding to the West Coast District Municipality, in order to render the full firefighting service to them. The Local Municipalities of Bergriver, Swartland and Saldanha Bay decided to render the Fire Service function within their respective areas.

PERFORMANCE HIGHLIGHTS

Performance highlights for the past year are that this Department, managed to respond to every incident that was reported to this Department. Another highlight for this Department was that no serious injuries to staff or any fatalities while responding and attending to incidences occurred. The Fire and Rescue Services of West Coast District Municipality again acted on requests for assistance to other neighbouring Services which were experiencing huge wildfires, therefore depleting their own capabilities in dealing with these fires. WCDM Fire and Rescue Services assisted the Garden Route District Municipality and Overstrand Municipality in Betty's Bay and Franskraal to bring large wildfires raging in the areas under control.

This Department again set itself apart from the other Fire Departments within the Western Cape as it is a Department that changes its views regarding the environment and the conservation thereof. This year West Coast District Municipality Fire and Rescue Services partnered with various role players in order to conduct a very successful controlled burn on Kasteelberg, spanning Riebeek Wes and Riebeek Kasteel. The role players involved were WCDM Fire and Rescue, the landowners, Greater Cederberg FPA, WOF Aviation and Cape Nature. The burn did not only aid the landowners in alleviating the fire risk through reducing the fuel load, it was also implemented as an ecological burn, as the Fynbos and Renosterveld on this Mountain was over 40 years old. The total area of the mountain spans 3 300 ha. A total of 700 ha were burned. The rest will be done during next year's summer season. Another controlled burn was also done in the Darling Wildflower reserve. In this burn a total of 40 ha of 60-year-old fynbos were burned for ecological reasons.

3.11.2 OPERATIONAL MATTERS

During the 2018/2019 year this service attended to 1 169 incidences throughout the whole of the District and a total of 5 870 man-hours were spend attending to these incidences. This is 27 incidences less than what was attended to in 2017/2018 year. The decline in incidences can be attributed to the fact that West Coast District Municipality no longer renders the Fire Service on behalf of Saldanha Bay Municipality and the great work done in the rural area in order to establish and promote Integrated Fire Management with the landowners within these boundaries. Most of the incidences attended to were B – Municipality responsibilities. On average 89% of the incidences this Department attended to was for B- Municipal Responsibilities. 1046 Incidences were B- Municipal incidences, 123 were C – Municipal incidences and 81 incidences were cancelled calls or false alarms.

For the functions as assigned to the District Municipality, 6 huge fires were experienced during the summer season of which the area burned was only 4 400 hectares. Only 2 of these fires burned more than 2 000 hectares of which the largest fire burned a total of 2 522 hectares. Aerial assistance was again used as a source of initial attack in order to bring fires under control within the first hour after a fire has started. Initial attack was activated seven (7) times during the season of which eleven (4) activations was successful. The initial attack program is done in collaboration with the Western Cape Provincial Department: Disaster Management and Fire Services, whereby Province funds the first hour of flying. If a District decides to extent the Aerial Fire Fighting it will be for their own account. During the 2018/2019 season West Coast District Municipality had spent R 834 199, 00 on aerial firefighting and additional ground crews. A base for the aircraft are still situated at the Porterville Airfield. In addition to this airfield there are also another seven (7) air strips throughout the District. This allows for the turnaround time of the bombers to be kept between seven (7) and ten (10) minutes in order to be effective and efficient.

The Fire and Rescue Services of West Coast District Municipality again acted on requests for assistance to other neighbouring. WCDM Fire and Rescue Services assisted the Garden Route District Municipality and Overstrand Municipality in Betty's Bay and Franskraal to bring large wildfires raging in the areas under control.

The Fire and Rescue Services of the West Coast District Municipality again implemented the prohibition on fires within the boundaries of the District from the 1st of December 2018 till the 31st of March 2019 in order to curb the ignition and start of unwanted fires within the area. It was done with great effect and had the desired impact.

Fire Prevention

Apart from the operational activities the West Coast District Municipality also attended to 487 fire safety inspections throughout the whole of the District. These activities include the inspections of buildings for fire safety compliance, issuing of burning permits, issuing of flammable liquid certificates, issuing of transport of dangerous goods permits, the approval of building plans, event safety management plans and the inspection of fire hydrants. This is not a function of the District Municipality, but due to the lack of capacity within the Local Municipalities the District Municipality currently performs these functions.

Training

Apart from the training received at external training colleges and service providers as indicated in the table below, internal refresher training was also done on all the Fire Stations with the personnel. A total of 517 theoretical sessions and 230 practical sessions were conducted at the Fire Stations amounting to 2 682 man-hours.

Training

Training / Course	Number of staff of West Coast District Municipality
Fire Fighter 2	11
Hazmat Operations	2
Fire Fighter 1	7
High Angle Rope Rescue	44
Hazmat Awareness	8
Driver Training	6
Chain Saw Course	17
Chain Saw Refresher Course	45
Advance High Angle Rope R	2
RIMS Training	10
Fire Prevention Strategies	2
Type 2 Incident Management Training	1

Public Training

Public training initiatives throughout the whole of the West Coast District Municipal area were conducted. These training initiatives were conducted at Schools, Youth days, Holiday programmes, Old Age Homes, Farms and Business premises. The training involved 38 sessions and a total of 989 adults and 2 562 children were reached. A total of 206 man-hours were spend conducting public awareness training.

Partnerships

Greater Cederberg Fire Protection Association

The West Coast District Municipality is still a current member of the Greater Cederberg Fire Protection Association as are required by legislation. This is the only registered FPA within the boundaries of the District. The Chief Fire Officer of West Coast District Municipality is the Chairperson as well as the Fire Protection Officer of this FPA. The Chief Fire Officer is also a Director on the Western Cape Umbrella FPA of which the GCFPA is also a member. The WCUFPA therefore represents the five (5) registered FPA's within the Western Cape at the National Umbrella Fire Protection Association.

The GCFPA currently has 848 members (a decrease of 6 members for the year) and the area covered by the FPA is 1 114 523 Ha (an increase of 6 158 Ha). Currently the FPA has two bases in the area. One base in Vredenburg and one base in Porterville. The teams based at these two Bases assisted the Fire Service on numerous fires during the summer season and can it be reported that they are very efficient and of a very high standard.

The GCFPA in collaboration with the West Coast District Municipality Fire and Rescue Services were involved in various risk reduction activities. These activities included 974 Ha of prescribed burns, 3 Ha of alien invasive plant clearing, 6 Ha of stack burning and 58 Ha of Fire Breaks being made.

As the West Coast District Municipality does not contribute financially to the FPA it does however support the FPA through initiatives such as the issuing of burning permits for free to paid up FPA members.

The FDI are distributed to all FPA members on a daily basis and this in combination with awareness materials and media articles have increase awareness and could possibly be one of the key contributing reasons why we had a quite fire season.

Cape Nature

The West Coast District Municipality also have a signed MOU with Cape Nature, where the parties agree to assist one another during major bush and mountain fires.

Table 3.11.1: Employees: Fire Services

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	8	13	12	1	8%
7-9	44	44	44	0	0%
10-12	12	12	11	1	8%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
19-20	0	0	0	0	0%
Total	65	70	68	2	3%
T3.11.1					

Table 3.11.2: Fire Services data

	Details	2016/2017	2017/2018	2018/2019
		Actual number	Actual number	Actual number
1	Total of fires attended to in the year	915	571	541
2	Total of other incidents attended to	821	625	628
3	Average turnout time	02 min 18 sec	02 min 25 sec	02 min 16 sec
5	Fire fighters in post at year-end	66	63	67
6	Total fire appliances at year-end	35	37	39
7	Average number of fire appliances off-run during the year	1	2	2

Table 3.11.3 Financial performance: Fire Services (R'000)

Financial Performance: Fire Services					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	9 952 103	10 087 000	10 087 000	10 044 075	0.43%
Expenditure:					
Employees	25 358 133	26 818 634	26 818 634	28 104 485	(4.79%)
Repairs and maintenance	-	-	-	-	-
Other	9 100 775	10 182 616	9 804 942	9 017 165	8.03%
Total Operating Expenditure	34 458 908	37 001 250	36 623 576	37 121 649	(1.36%)
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.11.3

Table 3.11.4 Financial performance: Fire Services (R'000)

Financial Performance: Fire Services Saldanha					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	32 827	-	-	-	-
Expenditure:					
Employees	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Other	43 627	-	-	-	-
Total Operating Expenditure	43 627	-	-	-	-
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
					T3.11.4

3.12 DISASTER MANAGEMENT

3.12.1 INTRODUCTION

The following section provides general information, overview about the West Coast Disaster Management Centre with regards to its legislative mandate, strategic overview and the basic organisational structure of the West Coast Disaster Management Centre.

The West Coast Disaster Management Centre can report during the year under review, the West Coast District still experienced the impact of the drought which has been a reality for a few years now. Despite relative high winter rainfalls during the 2018 winter season, the drought is still ongoing. From a disaster management perspective this drought, required all key role-players to work together in developing plans and strategies to prevent water shortages. The collective efforts ensured successful mitigation and innovative risk reduction efforts.

The activities undertaken by the West Coast Disaster Management Centre, both locally and across the District with the Local Municipalities (Bergrivier, Matzikama, Saldanha Bay, Swartland and Cederberg as collaborative partners during the period under review are captured under their key performance areas and their enablers. Even though the West Coast District experienced compounded disasters during the year under review, the various disaster officials, NGO's and various partners managed to exercise their duties with due diligence. The West Coast Disaster Management Centre with the assistance of the Western Cape Disaster Management Centre has approved a new Risk Assessment for 2019/2020 for the region which will be inclusive for all Local Municipalities.

This will allow the West Coast Disaster Management Centre together with Local Municipalities to implement Disaster Risk Reduction strategies to mitigate impact of disasters on our communities. The objective of a new risk assessment for Municipal Disaster Centre is to stay abreast of impending or current risk, especially with the effects of Climate Change. Furthermore, to ensure validity and reliability of risk assessment, where it will be geared towards risk reduction and mitigation, the West Coast Disaster Management Centre will advocate for an extensive peer review and stakeholder consultative process. In order to stimulate risk reduction solutions to the West Coast District communities, especially the most vulnerable, the West Coast Disaster Management Centre together with the Local Municipalities do have public education and awareness strategies. The aim of it is to teach risk avoidance and risk reduction behaviour. The West Coast Disaster Management Centre has been key to activations (Joint Operation Centre) during the reporting period in particular for the coordination of disaster recovery and rehabilitation initiatives.

To this end, Disaster Management as a coordinating function relies on commitment of all stakeholders, government departments, NGO's and Local Municipalities to build back better as a collective. The Disaster Management Centre plan to take the experiences, and lessons learnt to prioritise purposeful partnerships and highlight the need to advocate a risk reduction culture toward a safe and resilient District.

3.12.2 PURPOSE

The **purpose** of the West Coast Disaster Management Centre is to promote an integrated, coordinated and multi-disciplinary disaster management service.


3.12.3 LEGISLATIVE MANDATE: The West Coast Disaster Management Centre draws its legislative mandate from the Disaster Management Act. Below are some of the main legislative documents applicable to Disaster Management:

The Constitution Act 108 OF 1996	All spheres of government are obliged to guarantee the social and economic development of its citizens while preserving the ecosystem for future generations. If these rights are achieved it will increase the livelihood capital of the most vulnerable, protect the environment from degradation and stimulate economic development that will contribute to the necessary infrastructure that could reduce the risk of disasters or the impact of disasters. The West Coast Disaster Management Centre needs to promote disaster risk reduction initiatives that ensure ecological sustainable development in the borders of the West Coast District municipality in collaboration with Category - B Municipalities while prompting economic and social development.
Chapter 3 of the Constitution of South Africa	This chapter deals with cooperative government and intergovernmental relations. The West Coast Disaster Management Centre needs to ensure that it observes and adheres to the principles of this chapter in relation to disaster management. The West Coast Disaster Management Centre should conduct its activities within the parameters outlined in this chapter impacting on disaster essentials.
Disaster Management Act, 2002 (Act 57 of 2002)	This Act provides for an integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, emergency preparedness, rapid and effective response to disasters and post disaster recovery and rehabilitation. The establishment of municipal disaster management centres; and a framework under which the municipal disaster management centre operates and liaises with municipalities and relevant stakeholders on disaster-related matters.
Disaster Management Amendment Act, 2015 (Act 16 of 2015)	The Disaster Management Amendment Act seeks to, amongst others, <ul style="list-style-type: none"> • Clarify the policy focus on rehabilitation and functioning of Disaster Management Centres; and • Align the functions of the Disaster Management Advisory Forum to accommodate the South African National Platform for Disaster Risk Reduction; • Provide for the South African National Defence Force, SAPS and any other organ of state to assist the Disaster Management Centres; • strengthening the disaster risk reporting in order to improve the Disaster Management Centre ability to manage potential disasters; • Climate change.
West Coast Disaster Management Framework (2013)	Is a legal instrument specified by the Act to address such needs for consistency across multiple interest groups, by providing a coherent transparent and inclusive policy on disaster management appropriate for the West Coast District.

3.12.5 DISASTER MANAGEMENT OVERVIEW: LOCAL MUNICIPALITIES

The following section provides an overview of the four key performance areas and three supportive enablers required by the National Disaster Management Framework (2005) and the Disaster Management Act 57 of 2002 to observe performance in municipalities. The municipalities in the West Coast are as follows:


- ☐ Cederberg Municipality;
- ☐ Bergrivier Municipality;
- ☐ Cederberg Municipality;
- ☐ Swartland Municipality; and
- ☐ Matzikama Municipality

Cederberg Municipality											
	Resources: Vehicles	TYPE / MAKE					4x4	WATER CAPACITY	FOAM	CALL SIGN	In Out/Commission
		Isuzu Minor Pumper		no	2500 L	20 L	-	I/C			
		Skid Unit		yes	500 L		-	O/C			
		Toyota		No	-	-	-	I/C			
	Personnel	CEDERBERG MUNICIPALITY									
		Manager Protection Services		1		-					
		Disaster Officer		1		-		Operational			
		Fire Fighters		1		-		Operational			
		Learner Fire Fighters		-		1		Operational			
		EPWP		-		5		Operational Assistant			
KPA 1: INTEGRATED INSTITUTIONAL CAPACITY FOR DISASTER RISK MANAGEMENT		During the 2018/2019 financial year the institutional capacity were hampered by the sudden resignation of the Disaster Management Officer. During the 2019/2020 financial year mutual aid agreements will be investigated and disaster volunteers recruited and trained to strengthen the capacity.									
Staff Limitations		Cederberg Disaster Management Centre is limited in carrying out its functions according to the Disaster Management Act 57 of 2002 due to the lack of suitably qualified and skilled personnel. This places the municipality and the community at risk should a serious incident or disaster occur. There is a serious need for permanent suitably qualified staff to assist with the function.									

Equipment, buildings and vehicles	<p>Over the years, there has not been a concerted effort to increase the existing resources to meet the increasing demand for fire and disaster management.</p> <p>Currently there is a lack of the following;</p> <ul style="list-style-type: none"> a) No vehicles for Disaster Management b) Only one Fire Engine in Citrusdal c) No radio network/infrastructure <p>No Fire Stations or Disaster Management Centre</p>
Legislative Requirement:	<p>Plans Submitted to the WEST COAST DMC:</p> <p>The following plans were submitted to the WCDM DMC;</p> <ul style="list-style-type: none"> a) Fire Season Preparedness plan b) Winter Preparedness plan c) Disaster Management Plan (Outdated and currently under review) – WCDM DMC to assist with review and update. <p>Evaluation of the Implementation of Plans:</p> <p>Plans are implemented but currently not evaluated as capacity constraints hampers the evaluation of plans.</p> <p>Local Municipality Intergovernmental Forum:</p> <p>During the 2018/2019 financial year no intergovernmental forum were active on local level.</p> <p>West Coast Disaster Management Advisory Forum (WCDMAF):</p> <p>Cederberg Municipality is part of the West Coast Disaster Management Advisory Forum (WCDMAF). Meetings was attended on a quarterly basis.</p> <p>Recommendations:</p> <p>The following is recommended;</p> <ul style="list-style-type: none"> a) That the Head Disaster Management be appointed b) That an Administrative Assistant be appointed c) That funds be made available to build a Disaster Management Centre d) That National and Provincial Disaster Management give financial support to Cederberg Municipality to establish the Disaster Management and Fire Service function as prescribed by legislation. e) That Local Municipalities be supported by WCDM DMC with resources
KPA 2: DISASTER RISK ASSESSMENT	<p>A community based risk assessment was done in Cederberg Municipality during 2015. The risk assessment is outdated and West Coast District with the Western Cape Disaster Management Centre will be conducting a new risk assessment for 2019/2020</p>
KPA 3: DISASTER RISK REDUCTION	<p>The Disaster Management plan were amended and approved by Council in 2011. The Disaster Management plan is currently under review. The following projects to address and mitigate identified risks:</p> <ul style="list-style-type: none"> a) Storm water canals and pipes were upgraded and cleaned to prevent flooding during the winter season b) Additional bore holes were sunk to address water shortage and supplement water supply c) Traffic awareness programs were launched at schools and at roadblocks

	<p>d) Traffic calming measures (speed bumps) were constructed in urban areas where excessive speeding was identified</p> <p>e) Water restrictions (Level 4) were imposed and enforced to reduce water consumption</p> <p>f) Water awareness campaigns were held throughout the year</p> <p>g) Fire & Disaster Management awareness programs were conducted</p>
KPA 4: RESPONSE AND RECOVERY	<p>Early warnings were received throughout the year from the West Coast Disaster Management Centre in terms of severe weather and high temperatures to alert the fire and disaster service. A Disaster assessment were done in Wupperthal. The fire service responded to 143 emergency calls and conducted 67 safety inspections.</p>
Disasters/Incidents:	<p>On 31 December 2018 a fire started in Wupperthal and swept through the mission station burning down 54 houses, 5 businesses, the school hostel, the ECD and Aftercare centre. One adult female succumbed from burn wounds a few weeks after the incident. Most people lost everything in the fire.</p> <p>54 Families were directly affected with a total number of 134 people. The affected were 22 children, 66 adult females and 46 adult males.</p> <p>The following measures were implemented;</p> <p>a) Cordoning off area</p> <p>b) Restoration of water</p> <p>c) Restoration of electricity</p> <p>d) Restoration of communication network</p> <p>e) Replacement of ID documents etc.</p> <p>f) Replacement of SASSA cards and payment of grants</p> <p>g) Managing of donations and distribution of humanitarian aid like food and clothes</p> <p>h) Provision of a tent for storage</p> <p>i) Provision of temporary toilets</p> <p>j) Removal of asbestos</p> <p>k) Cleaning of area</p> <p>l) Temporary accommodation</p> <p>Estimated - 15 million Rand were spent on response and post disaster recovery and rehabilitation. Awareness campaigns on fire and disaster were held in Wuppertal. During this disaster, challenges were experienced with shortage of personnel and equipment.</p>
ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION	<p>Information management is currently a huge challenge as we don't have a designated official to do it, nor the applicable systems to address challenges. Information were managed and communicated to the different stakeholders by the Manager Protection Services with the available resources. An Administrative Officer with the necessary resources is needed urgently.</p>
ENABLER 2: EDUCATION, TRAINING, PUBLIC AND AWARENESS RESEARCH	<p>Fire safety and emergency evacuation talks were arranged throughout the year at various schools and institutions. Disaster Management awareness were conducted in communities in all 6 wards. 12 Awareness campaigns were conducted during the 2018/2019 financial year.</p>

Training:	<p>Internal Training: Continuous Basic Fire Fighting training were conducted internally. The following number of persons were trained;</p> <p>a) EPWP & Seasonal Fire Fighters – 20 members b) Volunteers – 18 members</p> <p>External Training: Four (4) EPWP members attended the Fire Fighter 1 training from June to September 2018. Two (2) members dropped out and did not complete the course. The other two (2) members successfully completed the course and graduated on 21 September 2018. One member attended the Fire Fighter two training from 06 May to 31 May 2019. The member successfully completed the course.</p>
ENABLER 3: FUNDING	<p>There is a combined budget for Fire & Disaster Management. The approved budget for 2018/19 was as follows:</p> <p>a) Operational Budget: R 990 000.00 b) Capital Budget: R 0.00 c) EPWP personnel: R 207 000.00</p> <p>Only R 28 900 were budgeted for disaster relieve and recovery. The Municipality is not in the financial position to provide the funding required to address the shortages in the Fire and Disaster Management section. Financial assistance is required from Provincial & National Disaster Management Centres. Limited funding is hampering the delivery of the Disaster Management Service.</p>

Swarthland Municipality	
Organogram:	
	
KPA 1: INTEGRATED INSTITUTIONAL CAPACITY FOR DISASTER RISK MANAGEMENT	<p>a) Chief Fire Officer is the Head of Disaster Management for the Municipality and is also the only person staffed in Disaster Management</p> <p>b) Disaster Management activities are performed within departments in order to address risk reduction, preparedness, mitigation, response and recovery strategies.</p> <p>c) The Municipality has its own Advisory forum and it is indicated in the disaster plan.</p> <p>d) The Emergency Control Centre is operational 24 hours in order to deal with emergencies.</p>
KPA 2: DISASTER RISK ASSESSMENT	<p>a) In terms of section 53 of Disaster Management Act 57 of 2002 each municipality must conduct a disaster risk assessment for its municipal area: A comprehensive risk assessment was done by Luticento Pty in 2018 with support of the Western Cape Disaster Management Centre and it highlighted the risks for the municipality.</p>
KPA 3: DISASTER RISK REDUCTION	<p>A comprehensive risk assessment was done by Luticento Pty in 2018 with support of the Western Cape Disaster Management Centre which included disaster risk strategies. Risk reduction is also outlined in The Swarthland Disaster Management Plan.</p>
KPA 4: RESPONSE AND RECOVERY	<p>a) The municipality has early warning systems in place to alert communities in the event of emergencies.</p> <p>b) Personnel from all the relevant departments are on 24hour standby to respond when incidents happen.</p> <p>c) Communication systems are in place and the relevant personnel are appointed to address the media when necessary.</p> <p>The municipality has a disaster vote (relief in terms of the disaster relief policy of the municipality) with limited funds to deal with relief efforts for the effected.</p>
ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION	<p>The Municipality lack the capacity with a system that can receive, store, analyse and disseminate information.</p>
ENABLER 2: EDUCATION, TRAINING, PUBLIC AWARENESS AND RESEARCH	<p>a) Continuous public awareness is being conducted at schools, early child development facilities, businesses and at vulnerable communities.</p> <p>The Western Cape Provincial Disaster Management Centre indicated that they will assist the municipality with smoke detection detectors for informal dwelling in order to improve early detection</p>
ENABLER 3: FUNDING	<p>a) Funding is a major constraint for the Municipality.</p>

	Capacity and relief is funded via, own Municipality budget, grants and other roles players such as SASSA, Red Cross etc.
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Matzikama Municipality	
<p>Organogram: The Disaster Management Co-ordinator position was filled on 1 March 2019. There are no other personnel in this department. Line departments assisting with the function during the last year was Traffic, Law Enforcement and Municipal departments and workers. No volunteers were involved during this period.</p> <div data-bbox="562 505 842 647"> <p>Disaster Management Co-ordinator</p> </div>	<p>Equipment budgeted for are still outstanding such as radio network, call centre, fire-fighting equipment and service vehicle. Municipality do have one Isuzu truck pumper unit with 1200lpm pump and 1000 litre water capacity. The 4 Law Enforcement personnel received training but is not equipped with fire-fighting protective clothing. Municipality water supply comes from Clanwilliam Dam and the level is very low. Funds from Government was used to sunk bore holes to augment our current supply.</p>
KPA 1: INTEGRATED INSTITUTIONAL CAPACITY FOR DISASTER RISK MANAGEMENT	<p>Disaster Management Coordinator appointed as from 1 March 2019 permanently, but were temporarily appointed as from 21 Nov 2018 in the post. The immediate need was the establishment of a proper command and control and reporting system. Advisory forum was implemented which will be held quarterly with the first Advisory which was conducted on 18 February 2019. The local towns superintendents were the officials attending the meeting to understand dynamics of Disaster Management role in Local municipality and to set perimeters of incident reporting. The Local Disaster management office also put disaster related news in the local newspaper "My Matzikama" when needed. Disaster Management unit developed response diagram of standby vehicles during any emergency/or incident and was added to Disaster Management Plan.</p>
KPA 2: RISK ASSESSMENT	<p>A new risk assessment will be done for 2019/2020 with the assistance of the West Coast Disaster Management Centre and Western Cape Disaster Management Centre.</p>
KPA 3: RISK REDUCTION	<p>Disaster Unit developed plans and are in place. Public awareness education programme where we visit local schools and hand out stationary and fliers to explain. Early warning systems like a "whatsApp" group with all the town superintendents to report any incidents and or accidents in their areas. Our Five-point plan is our method of awareness and training of local departments in the municipality. The following plans and policies were brought in place and is still concept documents to be approved by council.</p> <ul style="list-style-type: none"> a) Winter Season Preparedness plan b) Social Relief Policy c) Social Management Conflict policy d) Relief Policy e) Tourism Safety Plan f) Water Demand Management Plan

	g) Five Point Plan h) Load Shedding Contingency Plan i) Disaster Management Plan (approved) j) Corporate DM Plan k) Event Management policy
KPA 4: RESPONSE AND RECOVERY	Municipal area had a few minor incidents that was reported and handled. The one incident that was to be mentioned is the Water break incident of 7 August 2018.
ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION	Plans in place as listed and to be revised yearly. We make use of emails and cell phones to communicate to each other in our area of responsibility. The recommendation is for the West Coast Disaster Management Centre will look in the matter of issuing the DM Coordinators with a two-way radio with cell phone ability as well. This will improve the communication levels between local municipalities and district DMC.
ENABLER 2: EDUCATION, TRAINING, PUBLIC AND AWARENESS AND RESEARCH	West Coast Disaster Management Centre provided Disaster Unit for Municipality with education and awareness items to hand out to local schools in our area. Thus will be done when the school term starts. Portfolio of evidence will be supplied to West Coast Disaster Management Centre.
ENABLER 3: FUNDING	Operational and capital budget not done during the compilation of annual report. Disaster Unit applied for the new financial year of 2019/20.

Saldanha Bay Municipality

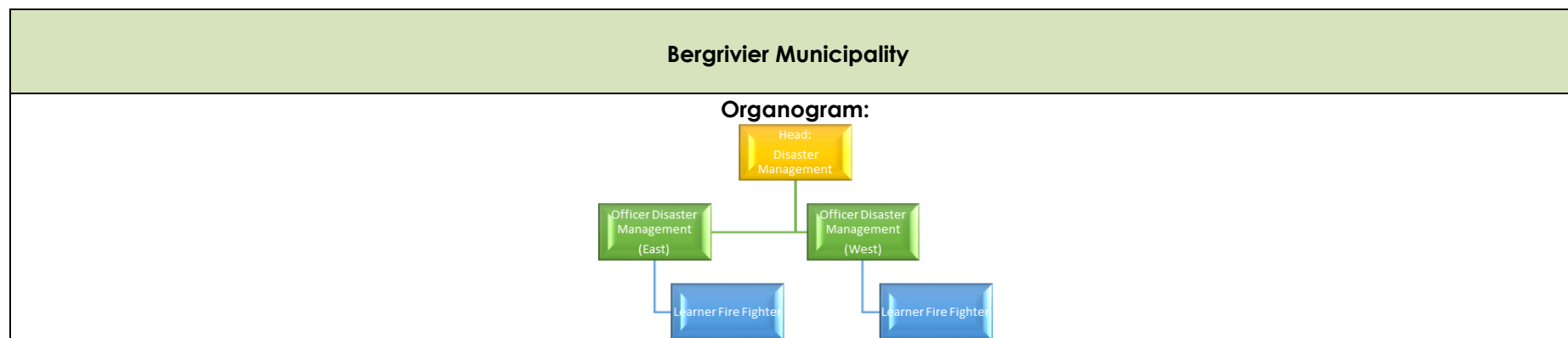
The Disaster Management functions forms part of the duties and responsibilities of the Chief Fire Officer. Presently the municipality does not have a dedicated section that drives the Disaster Management functions. The fire fighters of Saldanha Bay Municipality are mostly utilized during disaster events as first responders while personnel from other departments deal with the secondary effects of the disaster when required.

The current staff complement consists of a Chief Fire Officer and fifteen (15) Fire fighters and (10) fire Reservist. The picture below shows the fire fighters involved when disaster strikes.

<p style="text-align: center;">Organogram:</p>  <pre> graph TD A[Chief Fire Officer] --> B[15x Fire Fighters] B --> C[10x Fire Reservists] </pre>		
KPA 1: INTEGRATED INSTITUTIONAL CAPACITY FOR DISASTER RISK MANAGEMENT	PERSONNEL	Western Cape Disaster Management Centre has allocated funding to the Municipality to appoint a Disaster Management Internship in the 2018/2019 financial year. His duties include the coordination of the disaster management function. Disaster Management Risk Assessments will be a fundamental key area of responsibility to identify any disaster risks and to draw up contingency plans for the risks identified. Engagement with ward committees to foster co responsibility to mitigate any form of disaster will also be key driver.
	EQUIPMENT	Several prioritized equipment i.e. was purchase during the 2018/2019 financial year to give effect and enhance the response efforts of SBM.
KPA 2: DISASTER RISK MANAGEMENT	Advisory Forum	<p>The Saldanha bay Municipality Advisory Forum was established October 2017. Four meetings were conducted during 2018 as part of inter-governmental relations and were attended by most of the role players. The institutional capacity was further strengthened by engagements with portfolio councilors responsible for disaster management.</p> <p>West Coast Disaster Management Centre approved new risk assessment for 2019/2020 with the assistance of the Western Cape Disaster Management Centre and will help the municipality prioritise, risk deduction and mitigation.</p>
KPA 3: DISASTER RISK REDUCTION	<p>The Fire, Rescue and Disaster Management Services implemented various risk reduction strategies of which the installation of smoke alarms in prior identified hot zones in two informal settlements is the most important. One hundred and ninety-eight smoke alarms was installed in Middelpas and George Kerridge informal settlements intended as a pilot project to determine whether the roll-out of smoke alarms at scale in informal dwellings was feasible and effective in reducing fire risk.</p> <p>It also aimed to determine technological and other design adaptations required to improve the acceptability and effectiveness of smoke alarms in informal communities. The project monitoring over a six-month period to record the frequency and causes of alarm activations, people's views on the alarms and the alarms' effectiveness in reducing fire-</p>	

		<p>related deaths, injuries, property losses and details and circumstances regarding fires that occurred during the project period.</p> <p>A positive spinoff from the project was increased awareness among residents of the community about the causes of fire in their settlement and how they should respond when a life-threatening fire occurs.</p>
KPA 4: RESPONSE AND RECOVERY	Drought	<p>Council adopted the reviewed Disaster Management plan at a Council meeting on 20 June 2018 (R33/6-18). During the severe drought in our area the Municipality institutes water restrictions. The Municipality also declared its area as a Local Disaster Area due to the severity of the drought. Council at a Special Council meeting held on the 15 June 2017 resolved as follows: R5/6-17 DECLARATION OF THE SALDANHA BAY AS A LOCAL DISASTER AREA". However, in June 2018 the National Management Centre reclassified the disaster as national disaster.</p>
	Water crisis	<p>Saldanha Bay Municipality (SBM) is currently, along with the rest of the Western Cape, in the midst of the most severe drought in over 100 years. This situation developed in a water crisis in the area and as a result the municipality had to come up with innovative plan to mitigate or limited the effects of the water crisis. Some pictures below of dam levels showing the seriousness of the water crisis.</p>
	Civil unrest/ Community Safety	<p>2018/2019 presented some difficult times for the Saldanha Bay municipality in regard to protest actions. The said protest actions were twofold. Prior to the elections members of the community took to the streets to protest against many service delivery issues. Things took a violent turn and many infrastructures were damaged and burned infrastructure including a library, clinic and community hall in Diazville. The area also experienced industrial unrest at various industries of which the riots at WBHO was the worst. Offices and vehicles were set alight on site which escalated to a great loss to the company. A request was submitted to conduct a damage assessment, and municipal officials indicated preliminary and submitted to the Municipal infrastructure unit for action.</p> <p>The estimated (R 9 926 000) was submitted, but subject to procurement processes. The cost did not reflect properties and assets which were insured. Thus the total cost of damage will be higher than the mentioned.</p>
	Floods	<p>During March 2019 SBM experienced sporadic flooding throughout the area. About 16 households in an informal settlement in Middelpoos build their shacks in a floodplain. As a result of heavy torrential rain the ground was saturated and left the area flooded. Other areas within the municipal boundaries were also flooded and heavy pumps were put to work to pump out water from the flooded areas. The picture below shows the flooded area in Middelpoos informal settlement.</p>
	Disaster Management Plan	<p>With reference to Disaster Management Act No 57 of 2002 the Local Municipality must draw up a disaster management plan which must in accordance with the District Disaster Management</p>

		<p>Framework. The plan was drawn up in 2016 and was reviewed and updated in 2018 and was adopted by council (R33/6-18).</p> <p>The Saldanha Bay Municipality Disaster Management Plan had been rewritten, reviewed and updated in March 2019 and will be workshop with the EMT and Councillors at the soonest convenient date and time. Thereafter the plan will be tabled at the next Council meeting for adoption.</p>
ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION	The Municipality lack the capacity with a system that can receive, store, analyse and disseminate information.	
ENABLER 2: EDUCATION, TRAINING, PUBLIC AND AWARENESS AND RESEARCH	PUBLIC AWARENESS AND TRAINING	<p>Awareness campaigns in informal areas did reduce the number of fires in those areas as well as the restructuring of shacks to ensure that fire fighting vehicles and fire fighters can reach those in need. In partnership with the Department of Education an awareness program was launched to inform learners, pre-school pupils and teachers about the dangers and procedure during a disaster or threatening disaster event.</p> <p>Approximately 500 learners, teachers and youth participated in the school holiday awareness program which aims to inform the participants of fires, road safety, disaster management and first aid. These awareness and training events was a huge success. The footage below portrays some of the schools during training sessions conducted by SBM Fire and Rescue Services</p>
ENABLER 3: FUNDING	Funding is a major constraint for the municipality.	

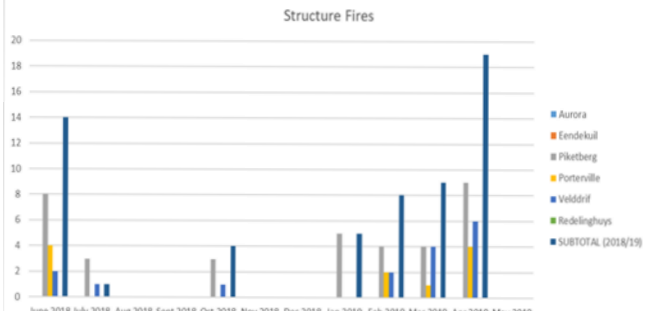



KPA 1: INTEGRATED INSTITUTIONAL CAPACITY FOR DISASTER RISK MANAGEMENT	Disaster Management Personnel	<p>Disaster /Fire responsible resigned and his last working day was end of April. The Disaster Management Centre is fully functional. The position Head: Disaster Management was filled in June 2019. There are no other permanent personnel. The following persons assisted with the function for the year 2018-19:</p> <ul style="list-style-type: none"> • 10 x Expanded Public Works Personnel (EPWP) on a 12 (twelve) month contract <p>Some of the municipal disaster management volunteers mentioned have played an important role in alleviating the effects of many incidents in the Bergrivier Municipality's area of jurisdiction. Examples of incidents they participated in are various dwelling and structural fires, veld fires, vehicle fires and road traffic accidents. They also received training in various aspects such as first aid, basic fire-fighting, hazardous materials, command and control, communication, etc.</p> <p>Many of the municipal volunteers have been active members of the fire and disaster management section for many years and are proud to be of service to the communities of Bergrivier. They are cross-trained and receive training in various aspects such as Fire Fighter one and Fire Fighter two, Hazmat Awareness and Operations, first aid, basic fire-fighting, command and control, community awareness training, Peace officer etc</p>
KPA 2: DISASTER RISK MANAGEMENT	Staff limitations	<p>Bergrivier Municipality's disaster management department is limited in carrying out its functions according to the Disaster Management Act (57 of 2002) due to the lack of suitably qualified and skilled personnel. This places the municipality and the community at risk should a serious incident or disaster occur. There is a serious need for permanent suitably qualified staff to assist with the function.</p>
	Equipment, Buildings and Vehicles	<p>Over the years, the effort to increase the existing resources to meet the increasing demand for fire and disaster management was compromised as result of funding, but Bergrivier Municipality, more specifically Disaster Management is now dealing with this demand through Council's Integrated Development Plan.</p>
	EQUIPMENT:	<p>Existing firefighting vehicles</p> <p>The fire department section is lacking suitable firefighting vehicles to fulfil its function. The area is covered by the following existing firefighting vehicles:</p> <ol style="list-style-type: none"> Piketberg – Isuzu pumper unit with 1200lpm pump and 2000l water capacity Velddrif – Toyota Landcruiser with skid unit (500l water capacity) Porterville – Nissan Patrol with skid unit (500l water capacity) Eendekuil – Trailer with skid unit (500l water capacity) Redelinghuys - Trailer with skid unit (500l water capacity) Aurora - Trailer with skid unit (500l water capacity) <p>Vehicle, Equipment & Staff shortcomings</p> <p>There is an urgent need for funding to address the following shortcomings for fire & disaster management:</p> <ol style="list-style-type: none"> Personal Protective Clothing – Some of personnel are not equipped with proper PPE for firefighting. The current budget is not sufficient to address the shortcomings.

		<p>b) Fire fighting vehicles – Porterville and Velddrif are in need of fire fighting vehicles to address the risks in the towns. The current vehicles that are utilized does not have the pumping and equipment carrying capacity to address the risks.</p> <p>c) Service vehicles – The fire & disaster management does not have service vehicles that can be used for the day-to-day administration, hydrant inspection and maintenance, building inspection and public awareness programs. The firefighting vehicles must be used for this purpose. This poses a risk due to increased response times.</p> <p>d) Fire houses – There exists no proper facilities for the firefighting vehicles that are currently parked in stores and garages. On duty personnel lack office, ablution and kitchen facilities. Storage for equipment is also becoming a problem as stores are shared with other departments.</p> <p>e) Lack of Supervision – The staff employed for firefighting are inexperienced and work in dangerous conditions without the necessary supervision from trained and experienced supervisors.</p>
KPA 3: RISK REDUCTION	The municipality carry out the following projects to address identified risks:	<p>a) Additional bore holes were sunk to address water shortage and supplement water supply in Piketberg.</p> <p>b) Traffic awareness programs were launched on N7 to address the high accident rate.</p> <p>c) Water restrictions (Level 6) were imposed and enforced to reduce water consumption</p> <p>d) A Water awareness campaigns were held throughout the year.</p> <p>e) Upgrading of existing water networks & reservoirs to reduce unnecessary water losses and to the capacity w.r.t water supply.</p> <p>f) Fire & Disaster Management awareness programs were conducted.</p> <p>g) Upgrading of electricity network to reduce electrical outages.</p> <p>h) Upgrade of pavements and walkways to ensure the safety of pedestrians.</p> <p>i) Closing of potholes in the roads to ensure safer roads for the community.</p>
KPA 4: RESPONSE AND RECOVERY	DISASTER, CONTINGENCY & PREPAREDNESS PLANS	<p>Disaster Management Plan Bergrivier Municipality has a council approved Disaster Management Plan.</p> <p>Disaster Contingency & Preparedness Plans There is an ongoing process to prepare preparedness plans for the various incidents that could occur in the area of jurisdiction. This is still a challenge to complete the plans timeously due to the lack of suitable qualified personnel. Assistance is required from the Provincial Disaster Management Centre due to the Municipality's lack of trained personnel.</p>
	DISASTERS	<p>Drought & Water Crisis The Western Cape Province is currently suffering the effects of a prevailing drought since October 2015. The province was also plagued by devastating fires over the last three years due to the dry conditions. Dam levels have decreased significantly to the point where very strict water restrictions had to be imposed.</p>

		<p>Bergrivier municipality started water saving awareness campaigns to caution the communities to use water responsibly. Level 6 water restrictions were also imposed late in 2017 and 2018/19 to reduce water usage. Due to the low water levels in the Misverstand Dam and Bergrivier, Piketberg's water supply came under tremendous strain. Permission was obtained to build a temporary weir in the Bergrivier River to enable pumps to draw water from the river.</p> <p>Council also availed emergency funds to sink three bore holes in Piketberg to supplement the water supply. Purified drinking water was also sponsored by the "Gift of the Givers". This was distributed to the communities in Piketberg. To assist with the conservation of drinking water, Fire & Disaster Management utilised treated sewage water for firefighting purposes.</p> <p>In the agricultural sector in Bergrivier, certain farmers have suffered losses in grain and crop failure. There was also a shortage of animal fodder. The Department of Agriculture provided assistance with fodder relief and monitored the situation.</p>
ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION	The municipality lack the capacity with a system that can receive, store, analyse and disseminate information.	
ENABLER 2: EDUCATION, TRAINING, PUBLIC AWARENESS AND RESEARCH	Training	<p>Fire-Fighting Training Continuous fire-fighting training exercises were held with the municipal reservists and EPWP personnel throughout the year.</p> <p>Fire extinguisher training Fire extinguisher training was conducted with all municipal safety representatives.</p> <p>External Training Courses Two of the EPWP personnel assigned to fire & disaster management, attended the Firefighter 2 Course from 06 May to 31 May 2017 at Ganzekraal Training Academy. They successfully passed the course and is one of Bergrivier Municipality's first qualified firefighters.</p>
	Community Awareness & Training	<p>Fire & Safety Fire safety and emergency evacuation talks were arranged throughout the year at various schools, businesses and institutions.</p> <p>Emergency Numbers The municipality established three emergency numbers for the following regions namely: Porterville: 076 695 7454, Piketberg: 079 349 8619 and Velddrif: 076 694 8683</p> <p>Veld Fire Awareness A veld fire awareness campaign was launched in November 2018 due to the prevailing drought and the municipality being situated within an agricultural district. Veld fire warning posters were printed and posted on lamp posts in all the towns and communities.</p> <p>Water Scarcity Awareness</p>

		A water awareness campaign was also launched during 2017 to warn the public of the current water shortage within the Western Cape & West Coast District and is still on going.
ENABLER FUNDING	<p>3: There is a combined budget for fire & disaster management. The approved budget for 2018/19 is as follow:</p> <p>Operation Budget: R 1,365 933.00</p> <p>Capital Budget: R 643 000.00</p> <p>EPWP personnel: R 146 600.00</p> <p>There is no separate disaster fund or budget for disaster relieve and recovery. The Municipality is not in the financial position to provide the funding required to address the shortages in the fire and disaster management section. Financial assistance is required from Provincial & National Disaster Management Centre's.</p>	
STATISTICS	<p>Fire Safety Inspections for the year under review 2018/2019.</p>	<p>Inspections</p>
	<p>Bush and Grass Fires for the year under review 2018/2019</p>	<p>Bush and Grass Fires</p>

	Structural Fires for the year under review 2018/2019		
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West Coast Disaster Management Centre	
<p>The West Coast District Municipality, which covers an area of 31,119 square kilometres (12,015 sq mi), lies along the Atlantic coast of the Western Cape, extending approximately 350 kilometres (220 mi) from north to south. The West Coast District Municipality covers the Matzikama, Cederberg, Bergrivier, Saldanha Bay and Swartland local municipalities.</p>	<p>Organogram:</p>  <pre> graph TD A[West Coast Disaster Centre Head of Centre] --> B[General Assistant] </pre>
KPA 1: INTEGRATED INSTITUTIONAL CAPACITY FOR DISASTER RISK MANAGEMENT	<p>The main focus for Integrated Institutional Capacity is to establish the necessary institutional measures for implemented disaster risk management within the West Coast. It specifically addresses the application of co-operative governance principles for the purpose of disaster risk management. It also emphasis the involvement of all stakeholders in strengthening the proficiencies of the West Coast District and Local Municipal state structures to reduce likelihood and severity of disasters.</p> <p>District municipalities administer and make rules for a district, which includes more than one local municipality. The purpose of district municipalities and local municipalities sharing the responsibility for local government in their areas is to ensure that all communities, particularly disadvantaged communities, have equal access to resources and services. This will help some local municipalities who don't have the capacity (finances, facilities, staff or knowledge) to provide services to their communities. It will also help to cut the costs of running a municipality by sharing resources with others. The "richer" areas will help the "poorer" areas.</p> <p>Some of the functions and powers of district municipalities include:</p> <ul style="list-style-type: none"> • To plan for development for the district municipality as a whole. • Bulk supply of water that affects a large proportion of the municipalities in the district. • Bulk supply of electricity that affects a large proportion of the municipalities in the district. • Bulk sewerage purification works and main sewerage disposal.

	<ul style="list-style-type: none"> • Waste disposal sites for the whole district municipality area. • Municipal roads for the whole district municipality area. • Regulating passenger transport services. • Municipal health services for the whole area. • Firefighting services for the whole area. • Control of fresh produce markets. • Control of cemeteries. • Promoting local tourism for the whole area. • Municipal public works. <p>The West Coast Disaster Management Centre was opened in September 2008. The building is located in Moorreesburg. It provides a 24-hour call taking and dispatch facility. An Organizational facility is also available that are used as a Joint Operation Centre (JOC) during disasters, but also as a venue for planning sessions outside disaster periods. A tactical facility is available as well as offices for various emergency services. The aim is to make it a one stop centre for all incident reporting.</p>
Advisory Forums	<p>The West Coast District Disaster Centre has four District Advisory Forum meetings. The meetings were held in February and May 2019 the following two will be held in August and November 2019. The purpose of the forum is to give effect to section 44 of the Disaster Management activities across the West Coast District. It allows the various disaster management stakeholders to consult one another and coordinate the required action on disaster management related matters in the West Coast</p>
Disaster Volunteers	<p>There has been a Volunteer Policy drafted by the West Coast Disaster Management Centre to involve the public to assist in the event of a disaster. This is to give effect to Disaster Management Act 57 of 2002 Section 44 (1) (g) Which is to promote the recruitment, training and participation of volunteers of disaster management in the municipal area. To this end, other forums where the West Coast Disaster Management Centre is represented is the Coastal Provincial Disaster management Centre Forum meeting which was attended on 6 and 7 November 2018, The Complex Humanitarian Emergency Task Team and Capacity Task Team Committee.</p>
KPA 2: DISASTER RISK ASSESSMENT	<p>The last priority risks were identified in the risk assessment during 2013. As such, the West Coast Disaster Management Centre approved together with the Western Cape Disaster Centre a new Risk Assessment for 2019/2020 which is inclusive of all the Local Municipalities in the District, and will help the Municipality prioritise, risk reduction and mitigation. According to the Disaster Management Act 57 of 2002 was amended, one of the key outputs of the Municipal Disaster Centre is to have a credible risk profile. The current risk profile will be updated as soon as assessment is done. Moreover, the following risks were quantified and classified using the Hazard, Vulnerability and Capacity Assessment Tool:</p> <ul style="list-style-type: none"> • Veld fire • Structural fire • Storm surge and Social conflict • Seismic hazards

	<ul style="list-style-type: none"> • Road accidents • Drought • Hazmat / Ocean Spills • Floods • Harmful Algae Bloom • Hazmat/ Road • Human diseases • Coastal erosion • Sand dune migration • Animal diseases • Nuclear event • Severe weather • Heat waves • Dam Failure • Aircraft incidents
KPA 3: DISASTER RISK REDUCTION	Disaster Reduction is to ensure that integrated disaster management plans and risk reduction programs is implemented. This will ensure that community and all stakeholders, communities and Local Municipalities are prepared during a disaster.
Risk Reduction Interventions:	<p>Polyphagous Shot Hole Borer (PSHB): Incidents was reported in the West Coast and escalated to The Western Cape Disaster Management Centre (WCDMC). Due to the capacity challenges in the Local Municipalities this matter was addressed through WCDMC whereby roles and responsibilities, initiatives and structural measures were agreed upon to be taken up by the respective risk owners.</p> <p>Early Warning Systems: The West Coast Disaster Management Centre ensures the dissemination of early warnings to all critical role-players in the West Coast. The Disaster Management Centre is in the process of assessing the feasibility of installing a Disaster Management Information System which is inclusive of GIS capabilities, Fireweb and AFIS.</p>
Mitigation Intervention Strategies Hazard Awareness Campaign	<p>Public Education: Awareness in West Coast On the 26 of June 2019, 13 students from the Bathesda Community Centre aftercare came to visit the West Coast Disaster Management Centre. The Department of Health officials educated the students on what happens at an ambulance station. Officials from the department of Health brought the students to the Disaster Management Centre to experience what happens in a Call Centre. Call Centre officials explained the call taking/dispatching system to the students so they could have a clear understanding of what happens in a Call Centre. Awareness literature were handed out to the students.</p> <p>They were then taken to the Fire station to witness the lives and duties of fire fighters. The fire fighters demonstrated to the students on what to do in the event of a house fire. The students were with 50 Pencils, 50 pens and 250 Afrikaans pamphlets.</p>

Public Education /Awareness: Disaster Management Centre – Station Street – 18 July 2018

The West Coast Disaster Management Centre together with Mooresburg Fire department and the Call Centre partnered and provided 21 of Dirkie Uys Primary School Grade 7 learners an opportunity to see the Centre which was a hive of activity. The principal Mr Smith was in agreement for the West Coast Disaster Centre to bring some awareness amongst his learners.

In terms of a resilient community –the Disaster Management Centre embraced the Mandela Day initiative to unselfishly offer information to learners to be proactive in disaster risk reduction, but also to make aware of the dangers of disasters for people to know their role and responsibility in managing disasters.

The important emergency number 10177 (Emergencies) from a Telkom line and the 022 433 8700 (Emergencies) From a Cellphone or Telkom line was shared with learners so that they know how to use it.

The Disaster Management Centre is the emergency hub in the West Coast, which house the fire department, the ambulance station, the emergency call centre as well as the Disaster Management sections.

The Disaster Management Manager decided their contribution to the Mandela Day 67 minutes is to partner with emergency services and to make an impactful contribution to the youth. They were first treated with some lovely coffee and some refreshments-after which they got a tour. They got exposed to the life and lives of the Emergency Call centre where they saw how the call centre staff take emergency calls and dispatch the emergency vehicles to incident. They also got to know what the emergency numbers is and what to do and not to do.

Moreover, they were exposed to the Tactical and Management sections of the Disaster Management Centre and saw where big and major incidents are managed and coordinated. They took seats and got a feel where real strategic decisions are made in managing risks in the West Coast.

The Disaster Management Centre are providing facility to Municipalities where firefighters are currently being trained and the opportunity was given to learners to feel some of the training routines like drilling and seeing the discipline of firefighters.

The Strategic intent of these initiatives are also to contribute to the environmental integrity of the West Coast District and brought risk awareness and self-resilience to the community. In addition, the intent was also to promote the social wellbeing of residents, communities and social groups in district by pro-active Disaster risk reduction. Our overall objective is to continuously execute public awareness and thus creating a culture of risk avoidance.

Some of the Activities is captured below:

- Did pamphlet drive on emergency number, children were quizzed on what was shared
- Use of fire – equipment was demonstrated to children/adults
- What is the emergency number on various platforms?
- Demonstrated activities in call Centre, Tactical room, and Management area
- Drilling of learners –to show discipline and actions of firefighters.

The Disaster Management Centre will be working to promote and establish a District where communities are informed and resilient to disasters and its impact. The narrative is Disaster management is everybody's business and it is thus important that relationships should be built and institutional arrangements should be put in place and pro-actively contribute to a safe environment.

Public Education/ Awareness in West Coast (3500 PAMPHLETS supplied by WCDM)
English, Afrikaans, IsiXhosa

KPA 4: RESPONSE AND RECOVERY	<p>The application of priorities concerned with disaster response and recovery and reintegration in the West Coast District are key performance areas. It reports the requirements of the Act for a co-ordinated policy which focusses on fast and effective response in the event of a disaster including the post-disaster recovery. It is important that every role-player knows the procedures as well as their responsibilities in the event of a disaster or one that is threatening to occur.</p> <p>On 30 December 2018 a fire erupted in the town of Wupperthal. 53 Houses were destroyed as the fire rapidly spread, it was also reported that 8 other structures were damaged such as the Church, Shops, Community Centre, Administrative buildings, School hostel and the Tourism building. The West Coast District Municipality coordinated for the deployment of resources with the assistance of the Western Cape Disaster Centre. Pictures below show JOC activation, relief distribution, and also the severity of the incident.</p> <p>In addition to above incidences, the following situation reports was communicated to WCDMC:</p> <ul style="list-style-type: none"> • Swartland Municipality's small towns, Riebeek West, Riebeek Kasteel and Moorreesburg had protest actions in 2018. • Experienced protests occurred in Vredenburg/ Saldanha towns from 13 June to 16 June 2018, Municipal offices, Clinics and offices of the resort were part of the buildings damaged.
ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION	<p>Part integrated communication system exists within West Coast between the Disaster Management Centre and Department of Health by means of a caremonix system. The ideal would be to have a proper fully integrated information system.</p> <p>Currently investigating feasibility of a Disaster Management Information System (DMIS). The intent and objective is to look at utilising such system for the West Coast region. The system needs to interface with current information systems, and the current system being utilised.</p>
ENABLER 2: EDUCATION, TRAINING, PUBLIC AND AWARENESS AND RESEARCH	<p>Objective: To continuously execute public awareness campaigns to promote a culture of risk avoidance amongst stakeholders.</p> <p>The National's Disaster Management Framework states that – All disaster risk reduction planning, developmental projects and programmes and the allocation of responsibilities must be founded on the needs and priorities of communities. Disaster risk reduction is a community – driven process.</p> <p>Municipalities must involve local communities in the development of a risk profile, facilitate understanding of the concepts and value added through disaster risk reduction in communities, prioritise projects aimed at risk reduction indicated in the West Coast District IDP and facilitate participation in training, preparedness planning and awareness programmes. (NDMF, KPA 1, section 1.3.2.2)</p>
	<p>Rosenhof Public Education / Awareness – 2018, Gene Louw Sportfield –Aug 2018, West Coast Disaster Centre – MANDELA DAY - 2018</p>

Simulation Exercise – November 2018	<p>The simulation exercise was set up at a safe position on the N7, 15km outside Moorreesburg direction Piketberg, where enough parking was available for the vehicles of the evaluators. After the simulation all parties discussed the outcomes experienced with the role players.</p> <p>It was decided to conduct the simulation and involve as many as possible role-players and to test the skills and equipment of all the departments.</p> <p>The main objective of this exercise was to determine communication and response times and incident management approach when an incident was reported to the emergency communication centre.</p>
Koeberg exercise	<p>The Koeberg exercise is done annually and the nuclear event is rated 15th in the West Coast District Municipality risk register. As such, the Disaster Management Plan is tested to test the Local Municipalities actions if such an event would occur. It must be noted that the municipalities (Swartland, Bergrivier and Saldanha) within the West Coast District have signed an agreement with the City of Cape Town regarding the use Mass Care Centre's when a nuclear event is imminent and have to comply with respect to preparedness. The exercise was done on the 29 May 2018.</p>
Early warnings	<p>All the local municipalities are now provided early weather warnings. This is relayed by the West Coast Disaster Management Centre. The impact Based Severe Weather Warning System is also in a pilot phase and the West Coast Disaster Management Centre comply with dissemination exercises.</p> <p>Our capacity is highlighted with the following Disaster Management Centre capabilities-</p> <ul style="list-style-type: none"> •Call Centre which is administered by 4 Call takers and call despatchers as well as health-net. This service is done with according to a Service Level Agreement which the West Coast District have with the Department of Health. •The Organisation management area is used for a Joint Operation Centre during major or large incidents. When it is not used for incidents, then it substitutes for training or large municipal meetings. <p>To this end, the biggest challenge and debilitating factor that speak into every component in Disaster management both with the District as well as the Local Municipality is funding. The information system caters for the EMS and not necessarily for Disaster Management. A proper upgrade needs to happen whereby the system is integrated and can be used optimally by all services.</p> <p>In addition-the staff component on district level is needed to enhance the Centre capabilities but also in terms of its statutory requirements to the Western Cape Disaster management Centre and National Disaster management Centre. In order to optimally operate within our jurisdiction but also taking cognisance of preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post disaster discovery and rehabilitation we have to prioritise Disaster Management in our IDP and budgets.</p> <p>Whilst some progress has been made in building resilience and reducing losses and damages, substantial support, commitment and involvement is required from all tiered leadership which will ensure the necessary, conducive and enabling environment.</p>

ENABLER FUNDING	<p>3: The West Coast Disaster Management Centre together with the WCDMC were involved with monitoring exercises for the year under review 2018/2019 with the following Municipalities: namely</p> <ul style="list-style-type: none"> • Cederberg Municipality for drilling and equipping bore holes to the value of R7 962 000 (58% of budget being spend, project is underway); • Matzikama Municipality for drilling and equipping bore holes to the value of R 7 627 000 (12% of budget being spend, project underway) <p>In general due to budgetary constraints many of the Local Municipalities do not have the necessary budgets to do Disaster Risk Management and as such the Western Cape Disaster Management Centre should consider petitioning the National Disaster Management Centre. The appeal must be for Public/ Private initiatives as well as allocating corporate social investment opportunities to District Municipalities which in turn assist Local Municipalities.</p>
Challenges	<p>-The local/district municipalities do have challenges with respect to human resources and as such the Western Cape Disaster Management Centre need to look at Capacity interventions with District Disaster Centre's to aid Local Municipalities;</p> <p>-Due to large area of the West Coast District, exercises between Local Municipalities are not prevalent and it should be planned to be done at least twice a year to expose officials to environment;</p> <p>-The challenge of not having one emergency number for the West Coast district is also placing stress on a services to respond timeously to incidents and also activate necessary relief.</p>

Table 3.11.1: Financial performance: Disaster Management (R'000)

Financial Performance: Disaster Management					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	(3 220)	-
Expenditure:					
Employees	620 936	983 155	983 155	887 216	9.76%
Repairs and maintenance	-	-	-	-	-
Other	1 031 515	1 369 301	1 357 967	1 220 210	10.14%
Total Operating Expenditure	1 652 451	2 352 456	2 341 122	2 107 427	9.98%
Net Operating Expenditure					
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</p>					
					T3.11.1

Table 3.11.2: Employees: Disaster Management

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	1	1	1	0	0%
4-6	0	0	0	0	0%
7-9	0	0	0	0	0%
10-12	0	0	0	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	2	2	2	0	0%
					T3.11.1

COMPONENT H: RECREATION

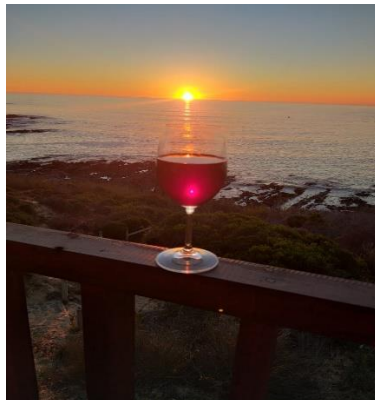
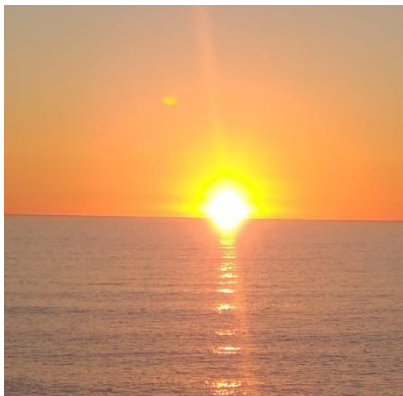
3.13 GANZEKRAAL HOLIDAY RESORT

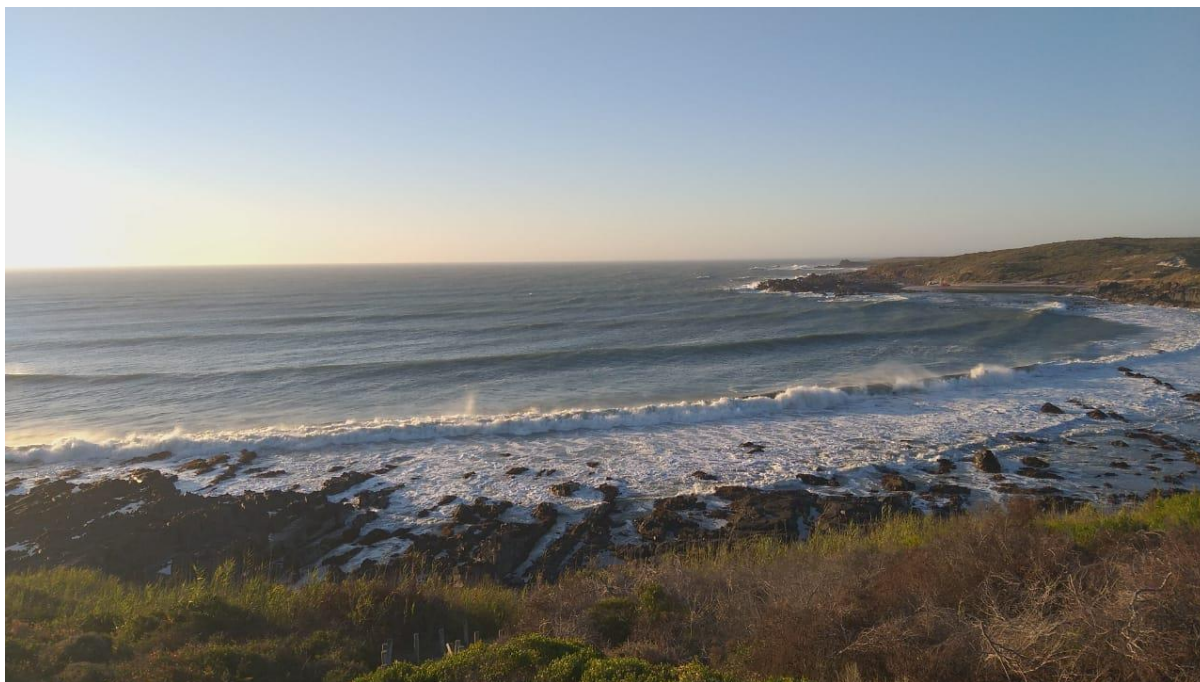
INTRODUCTION

Ganzekraal Holiday Resort is situated along the Atlantic Ocean, approximately 60 km from Cape Town on the R 27 West Coast Road, An aesthetically perfect beach resort, breath taking natural beauty, inspirationally conceived to capture the essence of surrounding natural wonders. We have the most pictures que views and will surely take your breath away, waking up in a place when your first glimpse of the day is an endless horizon of turquoise and Blue Ocean, a haven build to award winning views. The resort offers you the opportunity to relax and enjoy a wonderful beachside vacation. During spring the resort is with vibrant spring flowers and wild flowers, ideal breakaway from the city, surrounded

Ganzekraal offers 28 self-catering chalets, campsites, lapa and conference facilities, the facilities are suitable for a variety of purposes for e.g. conference seminars, teambuilding efforts, private meetings, weddings, film shoots, year-end functions and family reunions. Most of our balconies are allocated directly on the turquoise water of the Atlantic Ocean, the chalets are fully furnished.

Kids can enjoy our tidal pool and play parks, Lapa and Conference facilities are popular for weddings, a perfect setting for romance and exciting memories to last a lifetime. Our friendly and courteous staff are eager to make your stay more enjoyable, we believe that our dedication is to maintaining clean rooms and immaculate grounds only to add to your vacation comfort.





Resort Report

Highlights

Resort improved amazingly over the past financial year, due to the customer survey that was held over the festive period in December 2018, positive and negative feedback from a number of clients was processed, this will put us in a position to work towards our challenges

Over the Easter period our Mayor, Ald H Cleophas and our municipal executive members, Mr D Joubert, Dr J Tesselaar, Mr J Jonker visited the resort to enjoy the flying of the drone at the resort, Mr Cloete our resort manager and his team was overwhelmed and excited to be part of this historical moment, whiles breath taking images was captured.

SWOT analysis was also historic to Ganzekraal , the seminar took place over a 2 day period at the resort, successfully prepared by our new Director and teammates of WCDM, as well as WCDM Tourism. Challenges was discussed to pave the way forward for this dynamic resort, we are looking forward to our continued collaboration and friendship with WCDM tourism.

Another highlight is the ongoing Fire training at our resort, as from May 2019, this will be a mayor financial boost for our income. We are planning to be the host training venue for firefighters.

Maintenance & Repairs

Amanzi 7, 8, 9 woodwork was upgraded as well as the walkways at the Protea's, certain decks were also replaced. The ablution blocks was painted and new toilets were installed, the ablution block at the hall is also renovated, we received complimentary feedback from our clients about our neat and tidy ablution blocks. Brand new sewage pump was also installed at the Lapa.

New furniture was purchased for the chalets, tiling, taps, etc. was replaced.

Challenges

Communication, connectivity still a mayor challenge, wooden work at the chalets, electrical and water supply, land ownership of the resort, facilities and entertainment for the kids.

Table 3.13.1: Employees: Ganzekraal Holiday Resort

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	5	5	5	0	0%
4-6	5	6	5	1	17%
7-9	3	3	3	0	0%
10-12	1	1	1	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	14	15	14	1	7%

T3.13.1

Table 3.13.2: Financial performance: Ganzekraal Holiday Resort (R'000)

Financial Performance: Ganzekraal Resort (Public Amenity)					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	3 643 288	4 270 146	4 270 146	4 240 262	0.70%
Expenditure:					
Employees	3 206 359	3 468 328	3 468 328	3 406 383	1.79%
Repairs and maintenance	-	-	-	-	-
Other	1 804 910	2 403 980	2 286 865	1 865 509	18.43%
Total Operating Expenditure	5 011 269	5 872 308	5 755 193	5 271 892	8.40%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					

T3.13.2

General

We want to continue to market Ganzekraal as an award winning destination, we want to attract more visitors, locally and internationally, we will be contributing to a robust industry that fosters economic growth. Looking forward into the next year and beyond we will endeavour to stay aligned with the ever changing demands placed on us, by transforming our role from a 0 star resort to a 3-5 star resort.

Occupation Statistics

Occupation statistics		
Class	2017/2018	2018/2019
Amanzi	56.68	60.58
Proteas	31.83	34.04
Mooimaak	48.77	49.86
Facilities	16.87	18.98
Camping sites	21.96	23.46
Resort average	35.222	37.384

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.14 EXECUTIVE AND COUNCIL

This component includes the executive office (mayor, councillors and municipal manager).

Table 3.14.1: Employees: Executive and Council

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	0	0	0	0	0%
10-12	0	0	0	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	0	0	0	0	0%

T3.14.1

Table 3.14.2: Financial performance: Executive and Council (R'000)

Financial Performance Executive and Council						
Details	2017/2018	2018/2019				
	Actual	Original budget	Adjustments budget	Actual	Variance from budget	
Total Operating Revenue	222 817	-	800 000	-	100%	
Expenditure:						
Employees	5 942 246	6 405 481	6 405 481	6 139 696	4.15%	
Repairs and maintenance	-	-	-	-	-	
Other	2 080 964	1 845 875	2 766 282	1 660 857	39.96%	
Total Operating Expenditure	8 023 210	8 251 356	9 171 763	7 800 553	14.95%	
Net Operating Expenditure						

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.

T3.14.2

3.15 ADMINISTRATION

3.15.1 INTRODUCTION

The Administration Division manages the key performance areas of the West Coast District Municipality by providing an effective administrative service to core service delivery functions by designing, developing and aligning policies, implementing procedures, reviewing policies and procedures, and aligning document management systems to facilitate effective circulation, response, storage and retrieval. The division also manages and controls strict adherence to Council policy and relevant legislation.

Records Management

West Coast District Municipality control and manage records according to the legislation Provincial Archives and Records Service of the Western Cape Act, 2005 (Act no 3 of 2005) promulgated by government to enable government and the public to have timely access to accurate and reliable information.

Good recordkeeping is essential to West Coast District Municipality to promote good corporate governance. The legislative provisions in section 9 of the Provincial Archives and Records Service of the Western Cape Act (Act No 3 of 2005) are aimed towards promoting sound records management and thereby promoting transparency, accountability and better service delivery by West Coast District Municipality. To support continuing service delivery and provide the necessary accountability, West Coast District Municipality create and maintain authentic, reliable and usable records.

West Coast District Municipality ensures that the integrity of its records is protected for as long as they are required as evidence of business operations. Only by complying with the Provincial Archives and Records Service of the Western Cape Act, 2005 (Act no 3 of 2005) will the West Coast District Municipality be able to create a working culture where Records Management, information sharing and service delivery flourishes.

MORE INFORMATION

More information regarding the activities of the Division Administration is available in:

- ☐ Chapter 2.9: Governance under By-laws
- ☐ Appendix A – Councillors, Committee Allocation and Council Attendance
- ☐ Appendix B – Committees and Committee Purposes
- ☐ Appendix D – Functions of Municipality/Entity
- ☐ Appendix J – Disclosure of Financial Interests: Councillors

3.15.2 COMPILATION OF THE ANNUAL REPORT AND OVERSIGHT REPORT

The Administration Division is responsible for the compilation of the Annual Report by drawing up timeframes for all tasks relating to the completion of the annual report, liaising with departmental heads, tabling the Annual Report to Council, distributing the Annual Report to the relevant government departments and carrying out the final phase of translating, editing and printing the final version. The division also manages both the process and drafting of the Oversight Report, in collaboration with the MPAC, and tables the oversight report to Council.

3.15.3 SECRETARIAT

As the administrative arm of the Municipality, the Secretariat Division renders an administrative support service to Council and its political structures and ensures quality administrative service delivery by managing all standing committee and ad hoc committee meetings and ensuring effective coordination and prompt secretariat support.

The Secretariat Division is responsible for the following meetings:

- 1.□ Council meetings and Special Council meetings,
- 2.□ Executive Mayoral Committee Meetings
- 3.□ District Coordinating Forum (DCF) Technical Committee meetings,
- 4.□ Water Monitoring meetings,
- 5.□ Water Monitoring Technical Committee meetings, MPAC meetings,
- 6.□ Fraud and Risk Management meetings,
- 7.□ Portfolio Committees: Administration and Community Service, Finance and Technical Services meetings, Strategic Support and Economic Development and
- 8.□ Bid Committee meetings: Specification and Evaluation, Bid Adjudication Committee and
- 9.□ Audit Committee and Performance Audit Committee meetings.

PROMOTION OF ACCESS TO INFORMATION: SECTION 32 REPORTINT TO SOUTH AFRICAN HUMAN RIGHTS COMMISSION (SAHRC)

The Promotion of Access to Information Act No. 2 of 2000 (PAIA) was passed by parliament in 2000 to give effect to the right of access to information enshrined in section 32 of the Constitution of the Republic of South Africa. PAIA came into force in 2001. The South African Human Rights Commission (SAHRC) has a promotional and monitoring mandate on PAIA.

One of the rights that fall within the mandate of the SAHRC is the right of access to information which is enshrined in the Constitution by section 32 which states: *(1) Everyone has the right of access to – (a) any information held by the state, and; (b) any information that is held by another person and that is required for the exercise or protection of any rights;*

Annually the Section 32 Reporting to the SAHRC are submitted with the summary of all requests made from April the previous year to end of March the current year. West Coast District Municipality comply with the reporting obligations in terms of Section 32 of PAIA.

The Section 14 Manual: Promotion of Access to Information manual was reviewed and approved and published in the Government Gazette, 8078 on 08 April 2019.

COUNCILLOR SUPPORT

Committee Services rendered an administrative support service to Council and its political structures and ensures quality administrative service delivery by managing all standing committee and ad hoc committee meetings and ensuring effective coordination and prompt secretariat support.

The circulation of agendas for standing committee meetings is ensured five days prior to meetings. This resulted in Councillors having sufficient time to prepare for meetings. All agendas are distributed electronically from 01 January 2018. The distribution of electronic agendas and relevant documents was an opportunity to reduce cost in preparing and delivering of agendas to Councillors considering the jurisdiction of 311 000 km². The West Coast DM reduced its carbon footprint by reducing paper usage as well as vehicle fuel consumption.

Attendance of Meetings by Councillors

Attendance register for 2018/2019 financial year for the Standing Committee meetings of West Coast DM was submitted as attached.

Legal Implication:

Code of Conduct for Councillors, Schedule 1 of the Local Government Municipal Systems Act 32 of 2000:

- ☐ Item 3: Attendance at meetings and;
- ☐ Item 4: Sanctions for non-attendance of meetings of the

Standing Operating Procedures:

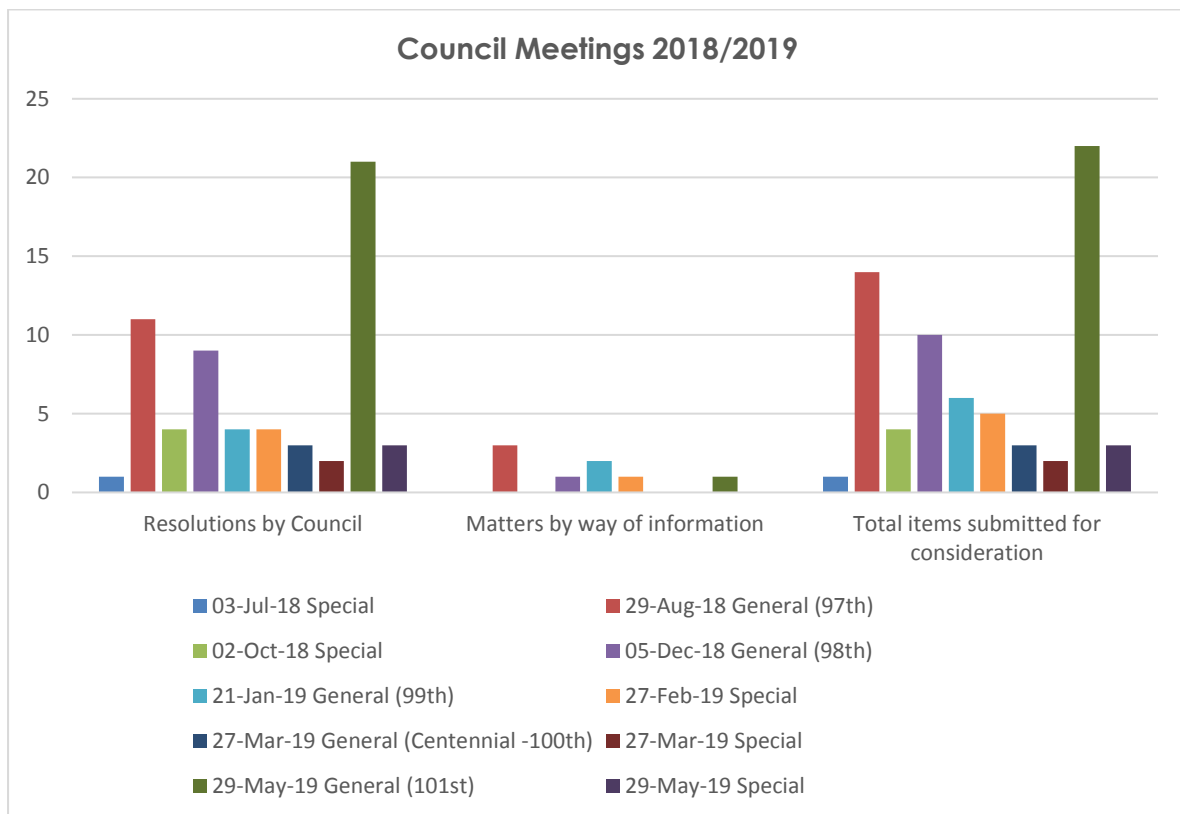
- ☐ Application for leave of absence
- ☐

Rules of Order By-law of the West Coast District Municipality

- ☐ Item 7: Attendance of Councillors;
- ☐ Item 8: Procedure for leave of absence
- ☐ Item 9: Sanctions for non-attendance

Council meetings 2018/2019:

Meeting date	Type of meeting	Resolutions by Council	Matters by way of information	Total items submitted for consideration
03-Jul-18	Special	1		1
29-Aug-18	General (97 th)	11	3	14
02-Oct-18	Special	4		4
05-Dec-18	General (98 th)	9	1	10
21-Jan-19	General (99 th)	4	2	6
27-Feb-19	Special	4	1	5
27-Mar-19	General (Centennial - 100 th)	3		3
27-Mar-19	Special	2		2
29-May-19	General (101 st)	21	1	22
29-May-19	Special	3		3
Total		62	8	70



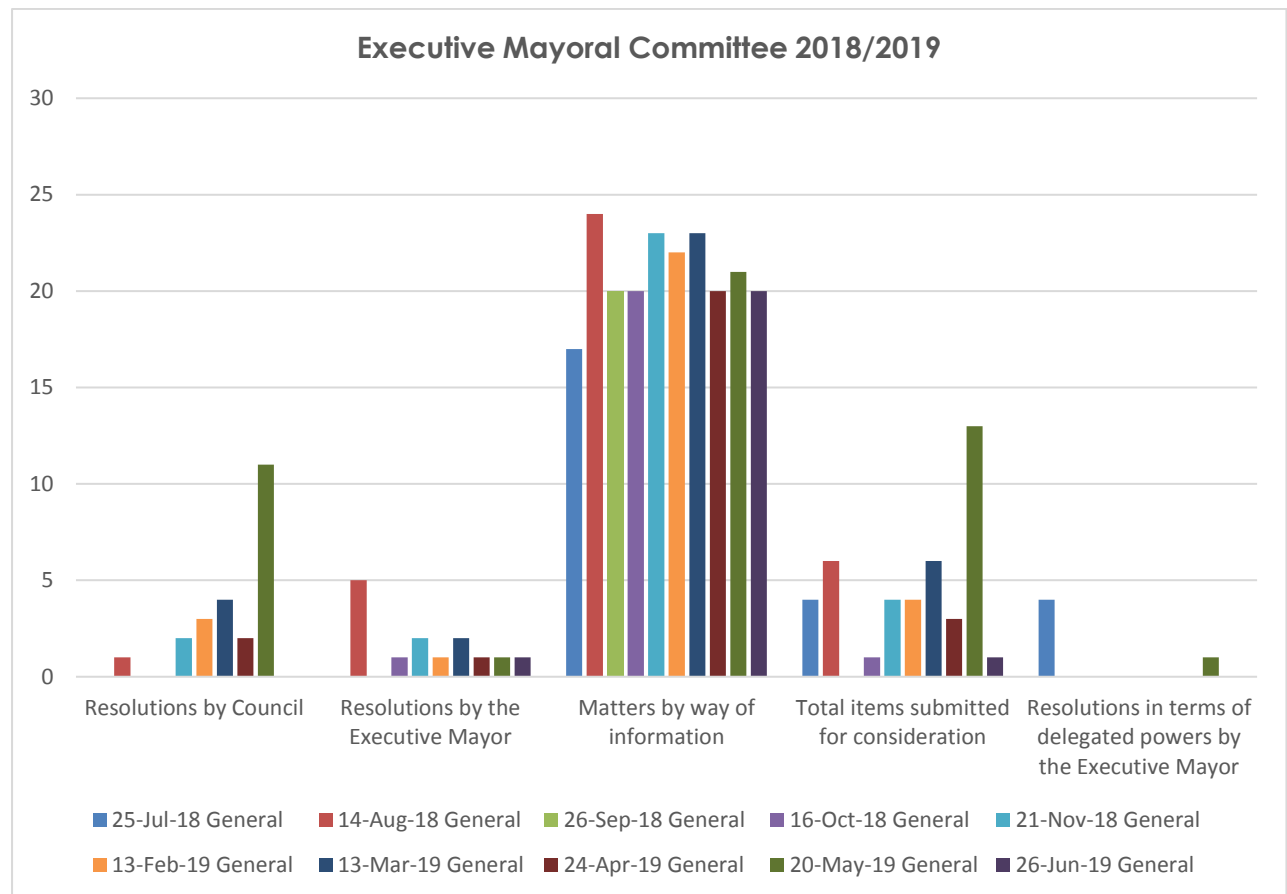
Executive Mayoral Committee meetings - 2018/2019:

Meeting date	Type of meeting	Resolutions by Council	Resolutions by the Executive Mayor	Matters by way of information	Total items submitted for consideration	Resolutions in terms of delegated powers by the Executive Mayor
25-Jul-18	General			17	4	4
14-Aug-18	General	1	5	24	6	
26-Sep-18	General			20	0	
16-Oct-18	General		1	20	1	
21-Nov-18	General	2	2	23	4	
13-Feb-19	General	3	1	22	4	
13-Mar-19	General	4	2	23	6	
24-Apr-19	General	2	1	20	3	
20-May-19	General	11	1	21	13	1
26-Jun-19	General		1	20	1	
Total		23	14	210	42	5

Resolutions in terms of delegated powers by the Executive Mayor:

24-Jul-18	<i>Extension of Declaration of a local disaster: Fire Damage of Swartland Hospital in Malmesbury dated 24 July 2018 for the period 29 June 2018 – 29 July 2018;</i>
	<i>Extension of Declaration of a local disaster: Drought – Swartland Municipality dated 24 July 2018 for the period 11 July 2018 – 10 August 2018; and</i>
	<i>Extension of Declaration of a local disaster: Fire Damage of Swartland Hospital in Malmesbury dated 24 July 2018 for the period 30 July 2018 – 29 August 2018;</i>
	<i>Extension of Declaration of a local disaster: Drought – Swartland Municipality dated 24 July 2018 for the period 11 August 2018 – 10 September 2018.</i>
07-May-19	<i>Funduro Fundraising project</i>

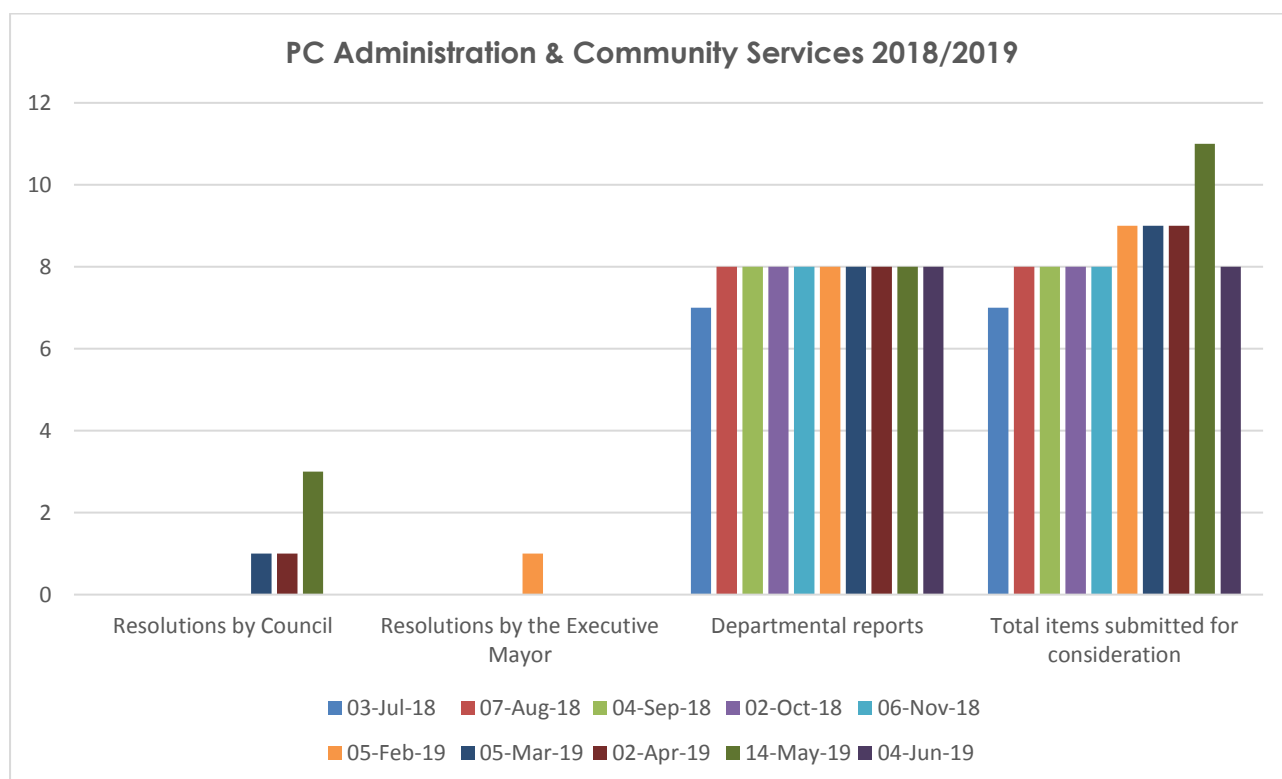
Executive Mayoral Committee Meetings



Section 80 Portfolio Committees 2018/2019:

PC Administration & Community Services

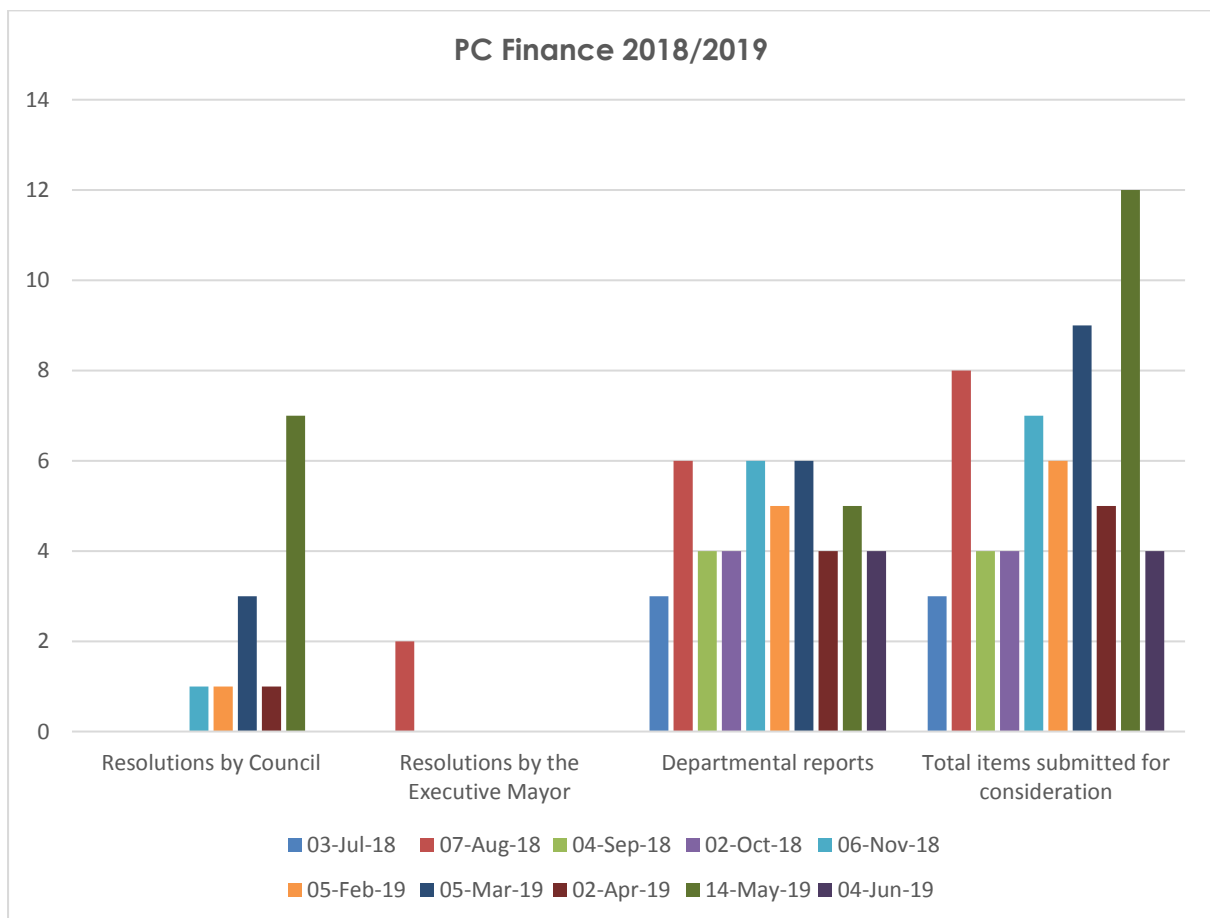
Meeting date	Resolutions by Council	Resolutions by the Executive Mayor	Departmental reports	Total items submitted for consideration
03-Jul-18			7	7
07-Aug-18			8	8
04-Sep-18			8	8
02-Oct-18			8	8
06-Nov-18			8	8
05-Feb-19		1	8	9
05-Mar-19	1		8	9
02-Apr-19	1		8	9
14-May-19	3		8	11
04-Jun-19			8	8
Total	5	1	79	85



Section 80 Portfolio Committees 2018/2019:

PC Finance

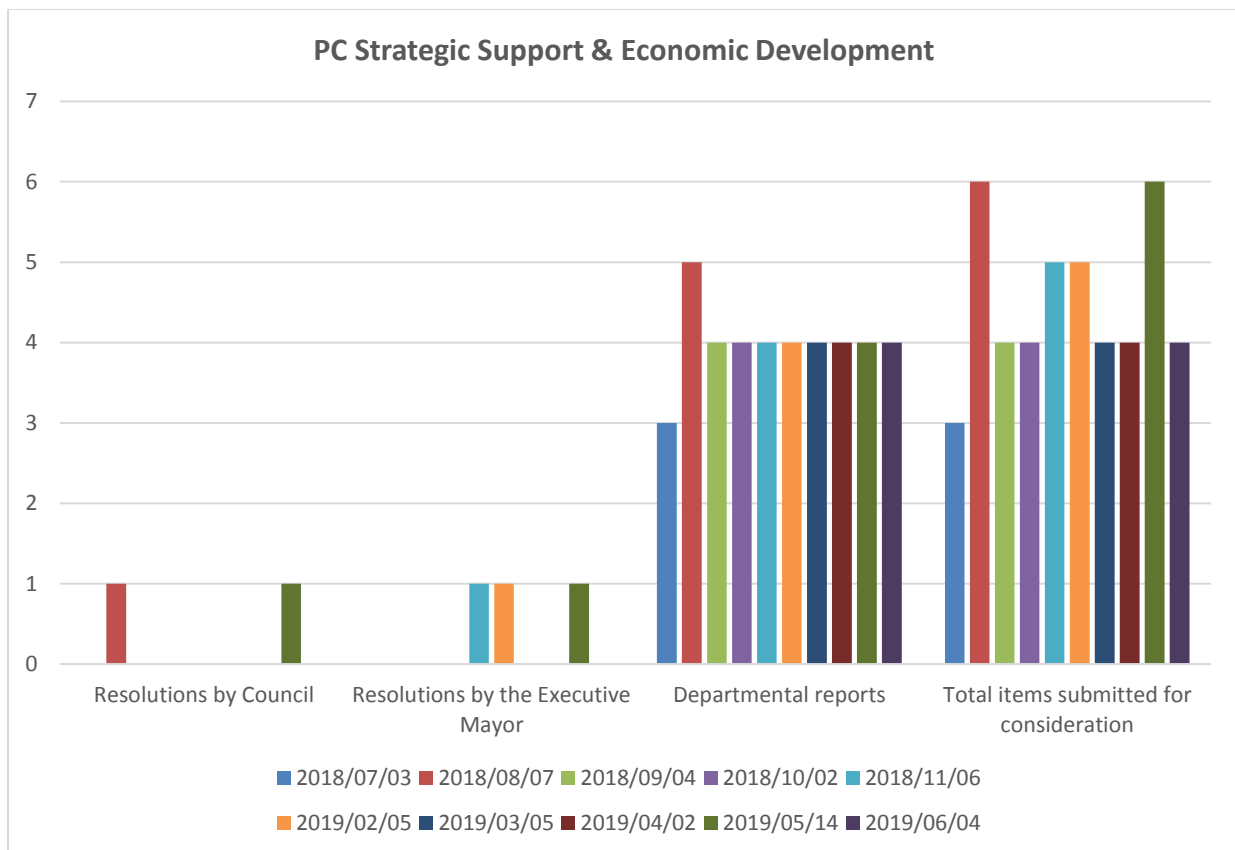
Meeting date	Resolutions by Council	Resolutions by the Executive Mayor	Departmental reports	Total items submitted for consideration
03-Jul-18			3	3
07-Aug-18		2	6	8
04-Sep-18			4	4
02-Oct-18			4	4
06-Nov-18	1		6	7
05-Feb-19	1		5	6
05-Mar-19	3		6	9
02-Apr-19	1		4	5
14-May-19	7		5	12
04-Jun-19			4	4
Total	13	2	47	62



Section 80 Portfolio Committees 2018/2019:

PC Strategic Support & Economic Development

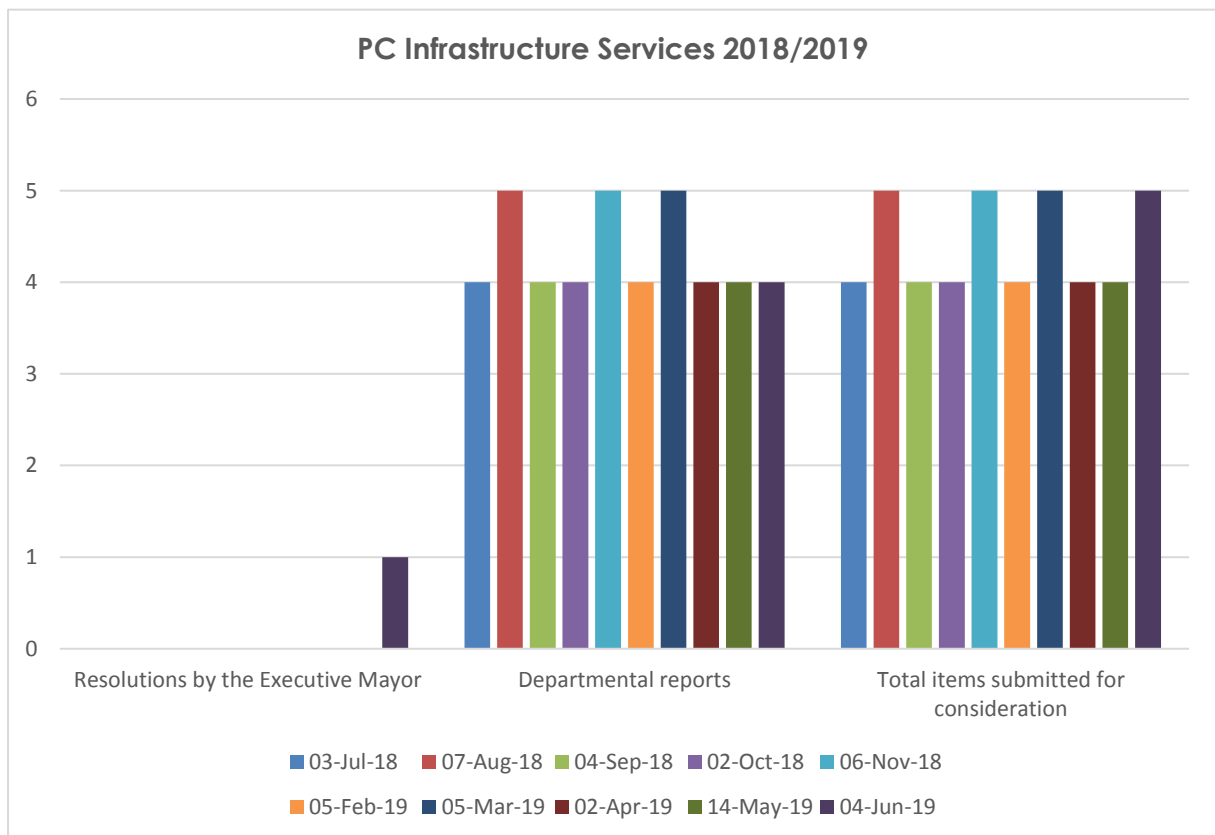
Meeting date	Resolutions by Council	Resolutions by the Executive Mayor	Departmental reports	Total items submitted for consideration
2018/07/03			3	3
2018/08/07	1		5	6
2018/09/04			4	4
2018/10/02			4	4
2018/11/06		1	4	5
2019/02/05		1	4	5
2019/03/05			4	4
2019/04/02			4	4
2019/05/14	1	1	4	6
2019/06/04			4	4
	2	3	40	45



Section 80 Portfolio Committees 2018/2019:

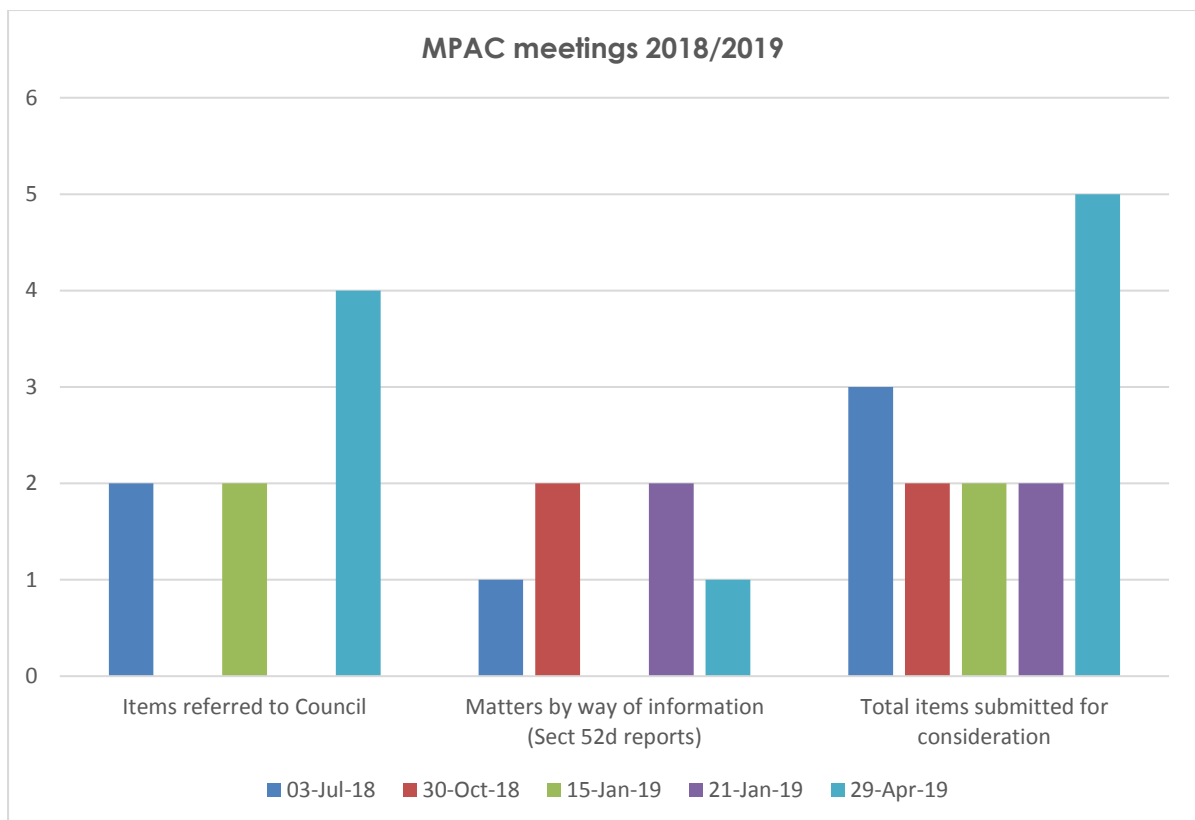
PC Infrastructure Services

Meeting date	Resolutions by Council	Resolutions by the Executive Mayor	Departmental reports	Total items submitted for consideration
03-Jul-18			4	4
07-Aug-18			5	5
04-Sep-18			4	4
02-Oct-18			4	4
06-Nov-18			5	5
05-Feb-19			4	4
05-Mar-19			5	5
02-Apr-19			4	4
14-May-19			4	4
04-Jun-19		1	4	5
Total	0	1	43	44



MPAC meetings 2018/2019:

Meeting date	Items referred to Council	Matters by way of information (Sect 52d reports)	Total submitted items for consideration
03-Jul-18	2	1	3
30-Oct-18		2	2
15-Jan-19	2		2
21-Jan-19		2	2
29-Apr-19	4	1	5
Total	8	6	14



3.15.4 OFFICE SUPPORT SERVICES

3.15.4.1 RECORDS AND ARCHIVES

The Administration Division manages the implementation of procedures and systems associated with document flow, such as the archiving and keeping of records systems (in accordance with statutory prescriptions) and the establishment, evaluation and maintenance of registry procedures for the operating of the main registry office and suboffices and for regulating record keeping. The division also oversees compliance with statutory requirements regarding control over the maintenance and application of the filing system and records control schedule.

3.15.4.2 SWITCHBOARD AND RECEPTION

The switchboard and reception play an important public relations role at the head office of the West Coast District Municipality and are an integral part of the organisation. These activities entail liaison with the public and the promotion of the Batho Pele principles, as well as the delivery and promotion of service delivery to the public.

3.15.4.3 REPROGRAPHY

As a support to Council, an effective reprographic service is rendered to ensure the prompt making of photocopies for the administrative offices of Council.

3.15.4.4 CARETAKING AND CLEANING SERVICE

The Caretaking and Cleaning Service Section is responsible for controlled access to the buildings of West Coast District Municipality I and West Coast District Municipality II. All entrances of the buildings are secured by a controlled access mechanism during and after office hours. An effective cleaning and caretaking service is rendered to the administration buildings of the Municipality.

RECORDS AND ARCHIVES

2018	July	1 538
	August	1 444
	September	1 235
	October	1 788
	November	1 165
	December	1 032
2019	January	1 217
	February	1 262
	March	877
	April	1 707
	May	876
	June	810
	Total	14 951

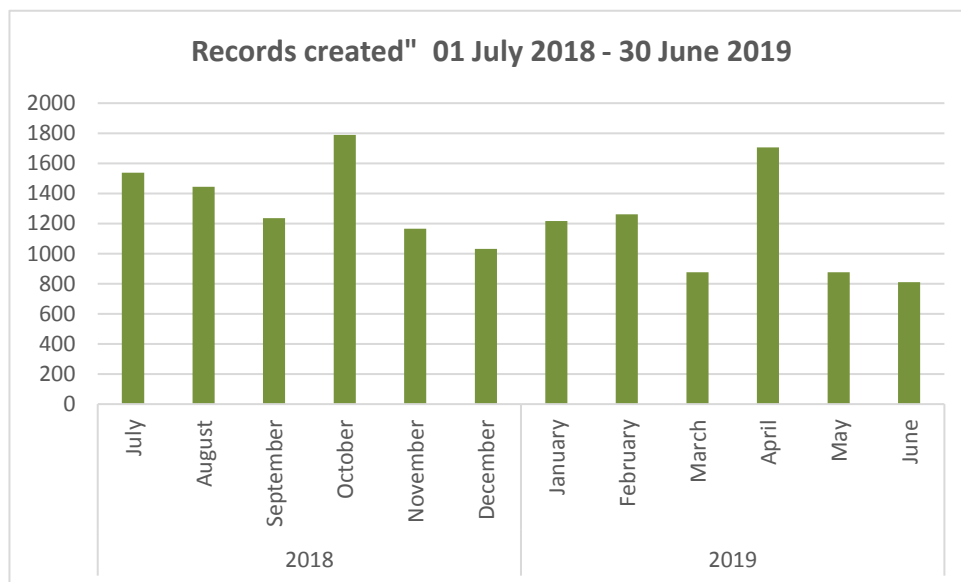


Table 3.15.1: Employees: Administration

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	5	5	5	0	0%
4-6	3	3	2	1	33%
7-9	4	4	4	0	0%
10-12	1	1	1	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	14	14	13	1	7%
T3.15.1					

Table 3.15.2: Financial performance: Administration (R'000)

Financial Performance Administration					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	132 677	21 000	21 000	47 842	(127.82%)
Expenditure:					
Employees	3 920 517	4 215 457	4 226 681	4 162 795	1.51%
Repairs and maintenance	-	-	-	-	-
Other	2 759 031	3 124 329	3 010 756	2 646 614	12.09%
Total Operating Expenditure	6 679 548	7 339 786	7 237 437	6 809 409	5.91%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					
T3.15.2					

3.16 FINANCIAL SERVICES

3.16.1 INTRODUCTION

Our main priority with reference to service delivery is water. Two of our main consumers are Saldanha Bay Municipality and Swartland Municipality. All the necessary measures are in place with regard to our Credit Policy.

Table 3.16.1: Debt recovery (R'000)

Details of the types of account raised and recovered	2016/2017		2017/2018			2018/2019		
	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Estimated proportion of accounts value billed that was collected in the year
Property rates			0	0				
Electricity – C			747	700	93.68	922	852	92.39
Water – C			93 685	89 874	95.93	113 387	110 275	97.26
Sanitation			83	83	99.34	93	90	96.76
Refuse			59	59	98.56	67	63	94.97
Other			3 260	3 960	121.46	2 778	2 430	87.46
C = consumption. See Chapter 6 for the Auditor-General's rating of the quality of the financial accounts and the systems behind them.								

Table 3.16.2: Financial performance: Financial Services – Budget and Treasury Office (R'000)

Financial Performance: Finance					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	441 624	434 010	434 010	505 260	(16.42%)
Expenditure:					
Employees	9 459 059	12 969 328	12 823 469	10 539 893	17.81%
Repairs and maintenance	-	-	-	-	-
Other	3 115 237	2 932 467	15 452 103	4 781 377	69.06%
Total Operating Expenditure	12 574 296	15 901 795	28 275 572	15 321 270	45.81%
Net Operating Expenditure				20 585 746	5.98%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.16.2

Table 3.16.3: Accounts billed

Details of the types of account raised and recovered	2016/2017		2017/2018			2018/2019		
	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year
Property rates			0	0	0			
Electricity – B								
Electricity – C			1 169	747	99.63	1 176	922	92.39
Water – B								
Water – C			10 211	93 685	95.94	10 776	110 275	97.26
Sanitation			1 169	83	99.55	1 176	90	96.76
Refuse			1 025	59	98.91	1 032	63	94.97
Other			2 210	3 260	93.97	2 023	2 430	87.46
B = basic; C = consumption. See Chapter 6 for the Auditor-General's rating of the quality of the financial accounts and the systems behind them.								

Table 3.16.4: Financial performance: Financial Services – Grants / Other income (R'000)

Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	110 581 680 119 910 186	100 904 847	102 331 847	123 507 045 134 771 542	(20.69%) (31.70%)
Expenditure:					
Employees	5 356 443	4 954 300	4 954 300	6 611 249	(33.44%)
Repairs and maintenance	-	-	-	-	-
Other	1 162 020	400 000	400 000	3 890 157	(872.54%)
Total Operating Expenditure	6 518 462	5 354 300	5 354 300	10 501 406	(96.13%)
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					

T3.16.4

Table 3.16.5 Financial performance: Financial Management (Interns) (R'000)

Financial Performance: Finance Management (Interns)					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 250 000	1 000 000	1 000 000	1 000 000	0%
Expenditure:					
Employees	651 973	558 434	544 279	533 388	2.00%
Repairs and maintenance	-	-	-	-	-
Other	505 698	441 566	455 721	333 342	26.85%
Total Operating Expenditure	1 157 671	1 000 000	1 000 000	866 730	13.33%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
					T3.16.6

Table 3.16.6: Employees: Financial Services – Financial Management

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	2	2	2	0	0%
7-9	6	6	6	0	0%
10-12	2	2	2	0	0%
13-15	1	1	1	0	0%
16-18	2	2	2	0	0%
19-20	0	0	0	0	0%
Total	13	13	13	0	0%
Excluding Ganzekraal and SCM T3.16.7					

Table 3.16.7: Financial Performance: Local Bodies Section

Financial Performance: Local Bodies Section					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	2 206 742	2 558 000	2 558 000	2 240 817	12.40%
Expenditure:					
Employees	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Other	2 122 789	2 558 000	2 558 000	2 240 818	12.40%
Total Operating Expenditure	2 122 789	2 558 000	2 558 000	2 240 818	12.40%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.16.8

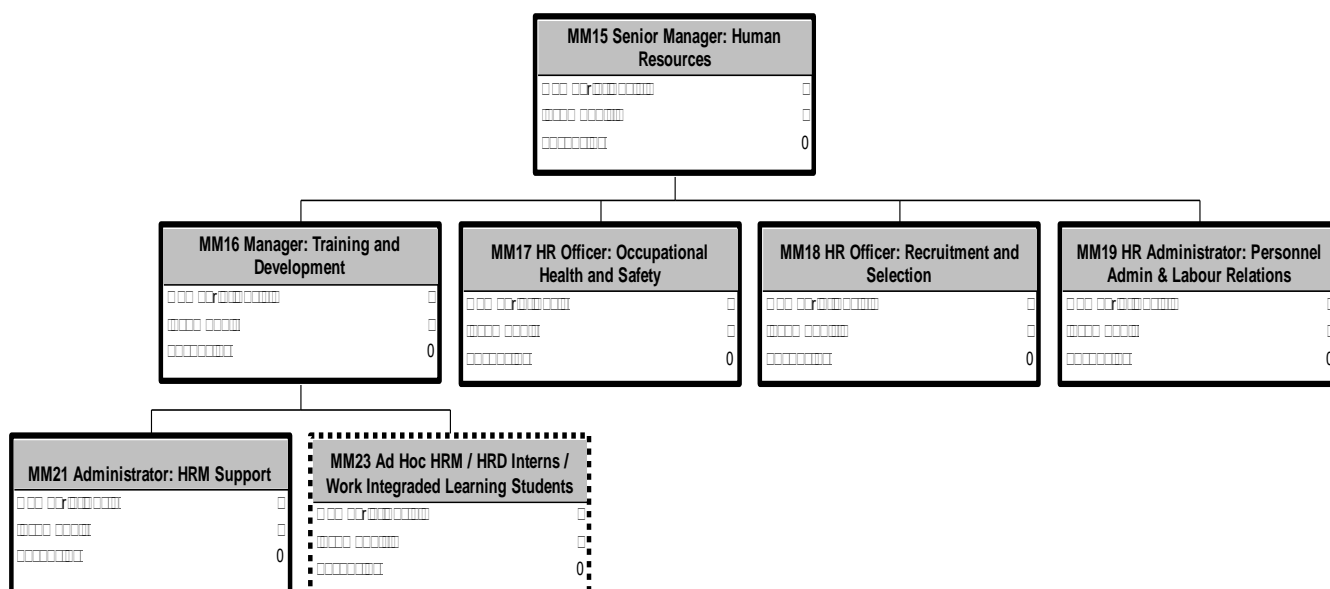
Table 3.16.8: Financial Performance: Contributions and Grants

Financial Performance: Contributions & Grants					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	-	-
Expenditure:					
Employees	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Other	314 383	200 000	200 000	196 857	1.57%
Total Operating Expenditure	314 383	200 000	200 000	196 857	1.57%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.16.9

3.17 HUMAN RESOURCE SERVICES

INTRODUCTION

The Human Resource division provides comprehensive strategies, programs, services and consultation to meet the needs of the Municipality's people resources. This is done through a focus on attracting, developing and retaining a diverse, engaged, innovative and skilled workforce to deliver effective and efficient service for the community. The organisational structure is demonstrated as follows:



The Human Resource division is guided by the Integrated Development Plan of the Municipality as the major driver in furthering various initiatives to modernise HR practices within the Municipality.

Other critical role-players concerned with HR are the departmental heads, divisional heads, section heads and supervisory positions in the other departments (Office of the Municipal Manager, Administration and Community Services, Financial Services and Technical Services).

FOCUS AREAS

The focus areas will be to prepare, implement and review the thirteen (13) standards within the organisation in the next five (5) years. The thirteen (13) standards are Strategic Human Resource Management, Talent Management, HR Risk Management, Workforce Planning, Learning and Development, Performance Management, Reward and Recognition, Employee Wellness, Employment Relations Management, Organisation Development, HR Service Delivery, HR Technology and HR Measurement.

STRATEGIC OBJECTIVES

All the outcomes with regards to the human resource management function are aligned to the municipality's strategic objectives.

HRM OBJECTIVES AND PURPOSE

Objectives detail the activities that must be completed to bring about the achievement of the goal. The attainment of each goal may require a number of objectives to be reached.

There is often much confusion between goals and objectives. Whereas a goal is a description of a desired end result or destination, an objective is a measure of the progress that is needed to get to the destination. It is a specific result that a person or system aims to achieve within a time frame and with available resources. In general, objectives are more specific and easier to measure than goals. If goals are about the big picture, then objectives are all about tactics. Tactics get you from where you are to where you want to be. A goal defines the direction and destination, but the road to get there is accomplished by a series of objectives.

Strategic Human Resource Management

- To ensure the HR strategy is derived from and aligned to the organisation's objectives in consultation with key stakeholders;
- To analyse the internal and external socio-economic, political and technological environment and provide proactive people-related business solutions;
- To provide strategic direction and measurements for strategic innovation and sustainable people practices;
- To provide a foundation for the employment value proposition of the organisation;
- To establish a framework for the HR element of the organisation's governance, risk and compliance policies, practices and procedures which balance the needs of all stakeholders;
- To determine an appropriate HR structure, allocate tasks and monitor the development of HR competence to deliver HR strategic objectives.

Talent Management

- To build a talent culture which defines the organisation's philosophy, principles and integrated approach to talent, which leverages diversity and is communicated in a clear employment value proposition;
- To identify strategically critical positions and leadership roles and capabilities in the organisation into the future from the Workforce Plan that will determine the sustainability and growth of the organisation;
- To set up processes and systems which will:
 - Attract a sustainable pool of talent for current objectives and future organisation needs
 - Achieve employment equity progress in the spirit of the legislation to achieve transformation;
 - Manage the retention and reward of talent;
 - Develop the required leadership skills;
 - Plan for succession to key roles;
 - Identify high potential employees and link them with key future roles in the organisation through monitored development plans;

- Identify where there is under-performance in a key role or in a person identified as high potential and raise the level of performance through a Performance Improvement Plan;
- Identify through assessment the optimal development opportunities for talent;
- To agree appropriate roles for relevant stakeholders in the development and management of talent;
- To monitor and report on talent management key results areas and indicator.

HR Risk Management

- To increase the probability and impact of positive events and decrease the probability and impact of negative events caused by people factors on the achievement of organisational objectives;
- To align HR and people management practices within the governance, risk and compliance framework and integrated reporting model of the organisation;
- To ensure appropriate risk assessment practices and procedures relating to people factors are embedded within the organisation;
- To ensure appropriate risk controls are designed and applied to HR activities and that interventions are based on evidence to ensure best use of time and resources (efficient and cost-effective);
- To contribute in creating and sustaining a risk management culture in an organisation which also encourages innovation, creativity, management by fact and continuous learning.

Workforce Planning

- To design a strategic workforce plan which meets the needs of the organisation in consultation with line management, and adjust strategy accordingly, taking into account workforce and labour market trends in relation to the relevant industry sector, within the spirit of the employment equity legislation;
- To align the workforce planning cycle with the strategic planning and budgeting cycle of the organisation, as well as talent management where relevant;
- To ensure appropriate budgeting or cost modelling to prepare the budget for the workforce plan;
- To ensure an adequate supply and pipeline of appropriately qualified staff through sourcing staff and building the future supply of the right skills to meet the needs of the organisation.

Learning and Development

- To create an occupationally competent and engaged workforce which builds organisational capability, providing employees with opportunities to develop new knowledge and skills;
- To focus learning and development plans on improving people's ability to perform to achieve organisational objectives and provide the means for measuring the impact of learning and development interventions;
- To support and accelerate skills development and achievement of employment equity and organisational transformation and limit the impact of skills shortages;
- To create a learning culture and environment that enables optimal individual, team and organisation learning and growth in both competencies and behaviour;
- To capture and replicate and enhance critical knowledge within the organisation;
- To ensure learning and development is a catalyst for continuous improvement, change and innovation.

Performance Management

- To translate and cascade broad organisational performance drivers into team and individual performance targets;
- To establish and appropriate performance management system, process and methodology relevant to the needs, size, scope and complexity of the organisation which will support the development of a performance culture;
- To link performance management to other HR processes to align appropriate performance consequences (reward, recognition and development opportunities) that attract, retain and motivate employees and to address poor performance;
- To ensure fair, ethical and organisational cultural practices focusing on the achievement of performance targets (that is, a high performance culture) in a sustainable way;
- To measure progress against agreed individual and team objectives that enable attainment of organisational objectives.

Reward and Recognition

- To design and implement an appropriate reward strategy aligned with business strategy, organisation operating conditions, culture, objectives and employment value proposition which drives the achievement of organisation objectives, and achieves a fair balance between the needs of all shareholders;
- To deliver a fair and equitable reward system and process that is ethical, cost effective and sustainable;
- To ensure the reward strategy is in line with current national and international industry and sector norms;
- To ensure compliance with organisational governance principles and practices aligned to national and relevant international governance codes of practice and relevant legislation;
- To design and implement an appropriate recognition strategy which meets employees' need for recognition of particular efforts or achievements which are valuable to the organisation.

Employee Wellness

- To promote opportunities and guidance that enable employees to engage in effective management of their own physical, mental, spiritual, financial and social well-being;
- To enable the employer to manage all aspects of employee wellness that can have a negative impact on employees' ability to deliver on organisational objectives and to demonstrate the impact of wellness activities on the achievement of organisational objectives;
- To promote a safe and healthy working environment in pursuit of optimum productivity and preservation of human life and health;
- To reduce employee risk emanating from health and wellness issues;
- To contain health and wellness costs;
- To enhance the employment value proposition by means of promoting a culture of individual health and overall organisational wellness.

Employee Relations Management

- To create a climate of trust, cooperation and stability within an organisation and a harmonious and productive working environment which enables the organisation to compete effectively in its market place and contributes to a respected reputation;

- To provide a framework for conflict resolution;
- To provide a framework for collective bargaining where relevant;
- To ensure capacity building and compliance to relevant labour legislation, codes of good practice (ILO and Department of Labour) and international standards.

Organisational Development

- To establish links with organisational purpose across all levels and functions of an organisation;
- To ensure organisation design facilitates the purpose of the organisation;
- To improve the ability of individuals, teams, departments and functions to work co-operatively to meet organisation objectives and optimise engagement at work;
- To facilitate stakeholder involvement in all OD processes to ensure optimum engagement;
- To build the relevant OD capability to meet organisational needs;
- To ensure compliance with relevant continuous improvement principles and good practices.

HRM Service Delivery

- To ensure timeousness, consistency, credibility and quality in the delivery of HR services, using resources productively and measuring and improving on delivery;
- To ensure sustainability of HR practices within the organisation;
- To support the effective management of the human element in an organisation by means of an effective HR service delivery model and system;
- To provide effective professional advice and guidance to managers and employees regarding the correct implementation of labour laws and other legislative requirements, HR policies, practices and procedures;
- To establish functional standards for accurate HR record-keeping and administration, developing and implementing an end-user friendly administrative process and system enabling proper data management;
- To measure employee engagement on the one hand, and satisfaction with the delivery of HR services on the other hand.

HRM Technology

- To leverage technology to allow easy access to relevant data (real-time, self-service) in compliance with relevant data security and other information technology compliance requirements, laws, codes and standards (privacy); and to support efficiency and effectiveness in HR functions (for example, learner management systems and e-learning in Learning and Development); and to create more capacity within existing HR structures to deliver value-adding services and interventions;
- To consolidate and rapidly extract HR information in real time to deliver effective presentation of HR information to the board or governing body, line management and executive committee meetings to support planning, decision-making and management of the workforce with full knowledge of potential people risks;
- To streamline the HR Management System and its associated processes for effective and efficient use;
- To ensure that appropriate information security principles, policies and practices are developed and implemented;
- To enable the effective implementation of change and improvements to the technology solutions to ensure they remain continually aligned with the organisation's objectives.

HRM Measurement

- Determine measurement approaches, methodologies and metrics to assess the effectiveness and efficiency of HR practices;
- Identify relevant measurement areas for the purpose of integrated reporting;
- Implement appropriate tools and methods to measure timely the efficiency, effectiveness and consistency of HR practices across the organisation;
- Provide a clear framework for measuring HR impact on the bottom-line of the organisation;
- Develop performance indicators for HR service delivery and business impact and present to the organisation in an appropriate HR Scorecard.

RISK ASSESSMENT

A human resources SWOT analysis considers internal and external factors that can either increase or obstruct the human resources functions within the organisation. The acronym SWOT stands for Strengths, Weaknesses, Opportunities and Threats. This analysis can help speed the human resources transition from reactive to proactive mode to enhance the HR strategy and function.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Thorough understanding of strategies and objectives • Functionality – flat hierarchy resulting in quicker decision-making • Building an outstanding workforce • Being an employer of choice • Quick to respond to changes • Skills to give effect to the Plan • Job descriptions implemented • Policies and procedures implemented 	<ul style="list-style-type: none"> • Budget constraints • Employee morale • High turnover • mSCOA compliant HR system • Modest advertising budget • Area of jurisdiction – higher cost due to distances / limited reachability • Outdated HR System software in place • Recruit process (background screening, pre-employment assessments) • Existing workload of HR personnel and line managers to high • HR personnel has no project planning experience • Cost of technology investment too high • No budget for short-term incentives
Opportunities	Threats
<ul style="list-style-type: none"> • Workforce growth • Inclusion of stakeholders / role-players in process • Employee satisfaction • Conflict resolution • Handling of absenteeism / tardiness • Balance of delivering core Human Resource programs and services for employees • Advancing the strategic initiatives outlined in the Integrated Development Plan of the Municipality 	<ul style="list-style-type: none"> • Uncertain economic environment • Rising cost of recruitment • Little loyalty and buy-in from stakeholders / role-players • Uncertainty regarding agency service delivery functions

PERFORMANCE HIGHLIGHTS

Employment Equity

- Enhanced the capabilities of the historically disadvantaged through the development and introduction of practical measures (i.e. skills development), which supports their advancement within the WCDM.
- Inculcated a culture in the WCDM that values diversity and supports affirmation of those who have previously been unfairly disadvantaged.
- Speed up the achievement of progressive numeric targets set for 1 October 2017 to 30 September 2022.

Skills Development

Education, Training and Development

On 24 April 2019 the WCDM submitted the 2019 / 2020 Workplace Skills Plan, as well as the Annual Training Report for the 2018/2019 financial year. Based on adherence to the Skills Development Act, 1997 (Act No 97 of 1998) and the Skills Development Levies Act and Regulations, 1999 (Act No 9 of 1999) the WCDM received a total amount of R615 809 from the LGSETA for mandatory grant. During the 2018/2019 financial year a total of 312 employees and councillors and 27 unemployed persons participated in various training and skills development programmes, including but not limited to learnerships, apprenticeships, structured skills programmes, internal and external bursaries and short courses at a total cost of R2 131 123.56. This is .3% more than the stipulated 1% of the personnel budget as prescribed by legislation.

Labour Relations

The WCDM promotes sound labour relations by facilitating an atmosphere of collective bargaining at the workplace. The Local Labour Forum has been established to facilitate and organise employee participation. Furthermore, relevant stakeholders and trade unions have been involved in the adoption of Human Resource Management policies. These processes have helped to create a stable environment within the Municipality, which is conducive for accelerating service delivery and developmental objectives of the Municipality.

COMMENTS

The work of HR will advance corporate culture and build the workforce capacity needed for the organisation to deliver effective and efficient services to the community. The work of the HR division and the organisation already has been recognised externally, resulting in the Municipality being a lead employer in the Region and in the Western Cape Province.

Table 3.17.1: Employees: Human Resource Services

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	1	0	0	0	0%
7-9	0	2	1	1	50%
10-12	2	1	1	0	0%
13-15	2	2	2	0	0%
16-18	1	1	1	0	0%
19-20	0	0	0	0	0%
Total	6	6	6	1	17%

Table 3.17.2: Financial performance: Human Resource Services (R'000)

Financial Performance Human Resource Management					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	(18)	-
Expenditure:					
Employees	2 502 823	2 720 101	2 720 101	2 727 874	(0.29%)
Repairs and maintenance	-	-	-	-	-
Other	180 986	492 325	491 393	344 965	29.80%
Total Operating Expenditure	2 683 809	3 212 426	3 211 494	3 072 839	4.32%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.17.2

Table 3.17.3: Financial performance: Training (R'000)

Financial Performance Training					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	396 779	360 000	1 080 716	1 249 063	(15.58%)
Expenditure:					
Employees	655 061	714 951	786 951	765 944	2.67%
Repairs and maintenance	-	-	-	-	-
Other	914 802	1 423 875	1 635 518	1 146 404	29.91%
Total Operating Expenditure	1 569 863	2 138 826	2 422 469	1 912 349	21.06%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.17.3

3.18 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

INTRODUCTION

STRATEGIC OBJECTIVE

- To provide software application and technical support to end users and service providers;
- Consolidate of all ICT and audiovisual related needs assessments from departments into a workable format for prioritization during the budgetary process;
- To provide effective management of the West Coast District Municipal technical resources through resource tracking, project management, training, clerical assistance and managerial support;
- To provide timely and effective technical assistance to all departments within the Municipality
- To provide an efficient, secure, stable and reliable network infrastructure that supports data and/or voice requirements for the West Coast District Municipal service delivery initiatives.

PURPOSE

The purpose of the Information Technology section is to provide efficient and effective services to the West Coast District Municipality. To ensure that ICT tasks will be prioritized and executed according the ICT Strategic Plan. ICT should be used as a Strategic Tool to achieve objectives and business initiatives and to assist in strategic decision making.

CHALLENGES

Major challenges to the ICT section is Capacity and Budget. Skills development should be consistent.

PERFORMANCE HIGHLIGHTS

All requests to the ICT section was addressed timely. ICT services strategic needs analysis was completed and submitted in the ICT Strategic Plan. ICT Forum meetings was held quarterly to ensure proper management of ICT services. The ICT section ensured that the availability of ICT resources and services was accessible to all network users. ICT has established VPN connectivity throughout the entire district which will enable all municipal employees to explore and make use of network resources at Head Office. The Municipality is striving to become paperless ICT is an enabler to achieve this green milestone with rendering "online" services.

Table 3.18.1: Employees: ICT

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	0	0	0	0	0%
10-12	1	1	1	0	0%
13-15	1	1	1	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	2	2	2	0	0%
T3.18.1					

Table 3.18.2: Financial performance: ICT (R'000)

Financial Performance: Information Technology					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	-	-
Expenditure:					
Employees	1 144 234	1 245 207	1 245 207	1 241 614	0.29%
Repairs and maintenance	-	-	-	-	-
Other	1 785 880	2 256 086	3 375 248	2 492 679	26.15%
Total Operating Expenditure	2 930 114	3 501 293	4 620 455	3 734 294	19.18%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.42.6

3.19 OFFICE OF THE MUNICIPAL MANAGER

The District Municipality's macro-organisational structure reflects the Council's policy according to which the micro-organisational structure had been developed. The District Municipality consists of three departments with their respective divisions as well as the Office of the Municipal Manager.

The three departments report to the Municipal Manager

1. Administration and Community Services
2. Finance
3. Technical services

The following three divisions report to the Office of the Municipal Manager:

- 1.□ Human Resources
- 2.□ Internal Auditing
- 3.□ Strategic Services
- 4.□ Social and Community Development
- 5.□ Tourism
- 6.□ Public Relations

Table 3.19.1: Employees: Office of the Municipal Manager

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	0	0	0	0	0%
10-12	3	3	2	1	33%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
19-20	0	0	0	0	0%
Total	4	4	3	1	25%

Table 3.19.1

Tourism, Human Resources, Social Services and Internal Audit separate

Table 3.19.2: Financial performance: Office of the Municipal Manager (R'000)

Financial Performance: Office of the Municipal Manager					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 644	-	-	-	-
Expenditure:					
Employees	1 848 012	2 108 370	2 108 370	2 163 032	(2.59%)
Repairs and maintenance	-	-	-	-	-
Other	365 907	256 641	249 899	132 495	46.98%
Total Operating Expenditure	2 213 919	2 365 011	2 358 269	2 295 528	2.66
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
					T3.19.2

3.19 INTERNAL AUDIT

3.19.1 INTRODUCTION

The West Coast District Municipality has an efficient Internal Audit Unit, as prescribed in terms of Section 165 of the Municipal Finance Management Act, Act 56 of 2003.

The audit committee is the oversight body whom internal audit needs to account to functionally whilst reporting to management administratively.

STRATEGIC OBJECTIVE

Strategic goal 5 states that the municipality will strive to ensure good governance and financial viability. This is in line with our objective to provide independent assurance that the municipality's risk management, governance and **internal** control processes are operating effectively.

PURPOSE

Our purpose is to assist the municipality in ensuring it has the proper controls, governance and risk management processes in place.

CHALLENGES

- 1) ☐ For the financial year the internal audit unit completed 13 out of 16 audits that were planned.

Reasons for not completing all audits were as a result of:

- a) ☐ changes in our audit approach with respect to the DORA audit, by utilising procedures obtained from National Treasury Website, which resulted in them increasing their scope and time.
 - b) ☐ Two medium rated risks as rated by management with regard to project management, were included in our scope based on the outcome of our preliminary risk assessment. This resulted in increased time spend to conclude the audit.
 - c) ☐ A request from management to do monthly audits of key performance indicators that were met, well met and extremely well met. This resulted in increased time to finalise/complete these audits which had an effect on completing other planned audits. The results of these audits were then reported in Council Portfolio committees.
- 2) ☐ Last year Provincial Treasury(PT) committed to assisting all internal audit units across the region, to do an assessment on their Quality Assurance and Improvement plans to help identify how we as a unit, can add value to the municipality's.
This commitment is still pending due to PT changing their scope and not only wanting to assist with Quality Assurance but provide a more comprehensive assurance support function by capacitating and strengthening internal audit units throughout the province by providing for example accredited training, coaching, mentoring, etc.
There is no specific deadline as to when this process will be finalised but they committed to starting during the next financial year.

PERFORMANCE HIGHLIGHTS

The audit committee send their recommendations to Council whom approved the following documents:

- a) 2018/2019 Internal Audit Charter
- b) 2018/2019 Audit and Performance Audit Charter
- c) 2018/2019 Risk based Internal Audit Plan

Internal Audit provided reasonable assurance on the following audits:

Audits Completed	Risks Description	Process evaluated
Inventory stock take	Inadequate and ineffective Accounting Procedures and Practices.	Inventory Management
Predetermined Objectives	Ineffective performance management system	Reporting to Oversight Committees on the accuracy and occurrence of key performance indicators reported
Compliance	Non-compliance with laws and regulations	Implementation of the compliance monitoring system (Economia) by evaluating: - Review of Compliance reports - Performing Municipal Governance Review Outlook (MGRO) assessments
Review of Division of Revenue Act (DoRA) allocations received	Ineffective Division of Revenue Act grant management	Accounting for grants received and spend in accordance with conditions of DoRA
Supply Chain Management: Acquisition of Goods	Supply Chain Management may not be fair, equitable, transparent and compliant	Procuring goods and services in accordance with specifications via quotations
Adequacy of Risk Management Review (performed by an independent auditor at Bergvriër municipality)	Inadequate Risk Management	Establishment and implementation of Risk management
Water licence compliance	Inadequate supply of Bulk Water Services	Compliance with legislation relating to the supply of water to local municipalities within the District
Health and Safety audit	Hazardous working environment	Health and Safety Control environment
Information Technology	Inadequate and ineffective IT Governance.	Availability and efficiency of IT systems
Loss Control	Inadequate and ineffective Loss Control Process and Procedures	Insuring Assets in accordance with the asset management policy
Project Management	Inadequate and ineffective monitoring of Projects	Establishing and implementing project management
Human Resource	Unskilled workforce	Recruitment and Selection
Mscosa	Inadequate SCOA project implementation	Mscosa implementation

Table 3.19.1: Employees: Internal Audit

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	0	0	0	0	0%
10-12	2	1	1	0	0%
13-15	1	2	2	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	3	3	3	0	0%
T3.19.1					

Table 3.19.2: Financial performance: Internal Audit (R'000)

Financial Performance: Internal Audit					
Details	2017/2018	2018/2019			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	-	-
Expenditure:					
Employees	1 587 403	1 683 205	1 700 367	1 563 812	8.03%
Repairs and maintenance	-	-	-	-	-
Other	46 485	77 755	87 054	69 553	20.10%
Total Operating Expenditure	1 633 888	1 760 960	1 787 421	1 633 365	8.62%
Net Operating Expenditure					
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</p>					
T3.19.2					

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

INTRODUCTION

Organisational development can be defined as an emerging discipline aimed at improving the effectiveness of organisations and its members by means of systematically planned interventions. The processes of designing the approved West Coast District Municipality's structure is informed by the following principles:

1. Priority focused

The design must reflect and give optimal effect to the vision, mission and strategic priorities of the West Coast District Municipality. The rule that structure follows strategy should apply.

2. Appropriate

The design of any functional unit should be appropriate to the function. Form should follow function. Different organisational models may thus be applied to different parts of the organisation.

3. Multi-disciplinary team based approaches

The design should encourage multi-disciplinary team based approaches to service delivery and policy development which emphasise participative management and harness skills and resources in a flexible and responsive manner.

4. Devolution of authority

Authority and responsibility should be devolved to the greatest extent appropriate. The design should seek to reduce the number of levels of authority and the chain of command in order to empower staff to act in a proactive but accountable manner and to minimise bureaucracy.

5. Clear lines of accountability

There should be clear lines of authority, accountability and responsibility with manageable spans of control.

6. Results and performance orientation

The design should promote a results-orientated approach and should incorporate monitoring systems to ensure impact and cost-efficiency.

7. Participation and partnership

The decision-making processes of the West Coast District Municipality should help give effect to its enabling, co-ordinating and policy roles and should promote a strong sense of partnership with its major stakeholders.

8. Strategic management and planning

The design should facilitate and encourage strong strategic management and planning. The top management component should thus have a strong strategic role and capability. However, the capacity for thinking strategically should also exist at all levels of the organisation and there should be symbiosis between the organisation's strategic and functional components.

9. Client focused

The design should be externally directed towards on the client/customer and should thus emphasise the role of front-line staff.

10. Use of information technology

The design should exploit modern information technologies to establish efficient and effective communication, information and management systems and to achieve savings.

11. Flexible approach to centralisation and decentralisation

The design should balance elements of both centralisation and decentralisation in a flexible manner so as to minimise the disadvantages of scale (remoteness) but also to maximise its benefits (economies of scale, specialisation).

12. Organisational and human resources development

The organisational design should promote on-going organisational and human resources development. In this regard more flexible approaches to job grading evaluation to allow for on-going development will need to be considered.

13. Simplicity

The design should be as simple and understandable as possible.

14. Financial sustainability/viability

The design should be realistic in terms of the West Coast District Municipality's financial capacity.

The Municipality's organisational development function is as follows:

(a) Office of the Municipal Manager

- Human Resources
- Internal Auditing
- Strategic Services
- Social and Community Development
- Tourism
- Public Relations

(b) Department: Administration and Community Services

- Administration
- Air Quality
- Municipal Environmental Health
- Municipal Environmental Management
- Disaster Management
- Fire Services

(c) Department: Financial Services

- Financial Statements, Reporting and Asset Control
- Income
- Expenditure
- Supply Chain Management
- Information Technology
- Ganzekraal Resort

(d) Department: Infrastructure Services

- ☐ Town and Regional Planning
- ☐ Roads Construction
- ☐ Roads Concrete and Re-gravel
- ☐ Roads Maintenance
- ☐ Mechanical Workshops
- ☐ Electrical and Instrumentation Services
- ☐ Mechanical Services
- ☐ Water Purification and Plan Support
- ☐ Water Distribution

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 4.1: Employees

Description	2018/2019			
	Approved posts (N)	Employees (N)	Vacancies (N)	Vacancies (%)
Water	126	104	22	17%
Health	29	28	1	3%
Security and Safety	73	66	7	10%
Roads	242	216	26	11%
Planning	1	1	0	0%
Planning (strategic and regulatory)	7	7	0	0%
Community and social services	6	6	0	0%
Environmental protection	3	2	1	33%
Corporate policy offices and other	88	76	2	2%
				T4.1.1

4.2 HUMAN RESOURCE POLICIES

Table 4.2: Human resource policies and plans

Human resources policies are being reviewed on an annual basis for amendments and improvements.

Table 4.4 Human Resource policies and plans

	Name of policy	Completed (%)	Reviewed (%)	Date adopted by council or comment on failure to adopt
1	Induction Policy	100		2008/08/24
2	Recruitment and Selection Policy	100		2012/04/24
3	Study Bursary Policy	100		2010/09/01
4	Private Work and Declaration of Interest Policy	100		2016/12/07
5	Education, Training and Development Policy	100		2008/08/24
6	Succession Planning Career Pathing Policy	100		2008/08/24
7	Student Assistance Policy	100		2008/08/24
8	Travel and Removal Expenses Policy	100		2008/08/24
9	Disciplinary and Grievances Procedure	100		2014/04/23
10	Whistleblowing Policy	100		2014/10/29
11	Nepotism Policy	100		2014/10/29
12	Confidentiality Policy	100		2014/10/29
13	Overtime Policy	100		2013/03/12
14	Manage Poor Work Performance Policy	100		2013/03/12
15	Attendance and Punctuality Policy	100		2008/08/24
16	Unpaid Leave Policy	100		2008/08/24
17	Sexual Harassment Policy	100		2013/05/14
18	Use of Official Vehicle Policy	100		2008/08/24
19	Staff Statements to the Media Policy	100		2014/10/29
20	Internet and E-mail Policy	100		2008/08/24
21	Chronic Illness Policy	100		2014/10/29
22	Substance Abuse Policy	100		2016/12/07
23	Occupational Health and Safety Policy	100		2014/10/29
24	Smoking Policy	100		2013/05/14
25	Uniform and Protective Clothing Policy	100		2014/10/29
26	HIV/Aids Policy	100		2014/10/29
27	Employment Assistance Programme	100		2014/10/29
28	Travel and Subsistence Policy	100		2016/12/07
29	Extra Services Allowance Policy	100		2012/04/24
30	Maternity Benefit Policy	100		2014/04/23
31	Advancement for Fire Personnel Policy	100		2018/04/01
32	Hepatitis B Policy	100		2016/12/07
33	Municipal External Bursary Scheme	100		2017/01/18
34	T.A.S.K. Job Evaluation Policy	100		2016/12/07
35	Transport Scheme Policy	100		2016/12/07
Table 4.4				

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3 INJURIES, SICKNESS AND SUSPENSIONS – 2018/2019

Table 4.5: Number and cost of injuries on duty

Type of injury	Total of injuries	Injury leave taken (Days)	Employees using injury leave (N)	Proportion of employees using sick leave (%)	Average injury leave per employee (Days)	Total estimated cost (R'000)
Required basic medical attention only	32	22	12	37.5	1.8	9 277.40
Temporary total disablement	27	373	27	100	13.8	207 668.60
Permanent disablement	0	0	0	0	0	
Fatal	2	0	0	0	0	
Total	61	395	39	64%	10.1	R217 045,00
T4.5						

Table 4.6 Number of days and cost of sick leave (excluding injuries on duty)

Designations	Total sick leave (Days)	Proportion of sick leave without medical certification (%)	Employees using sick leave (N)	Total employees in post* (N)	Average sick leave per employee** (Days)	Estimated cost (R'000)
Lower skilled (levels 1–2)						
Skilled (levels 3–5)						
Highly skilled (levels 6–8)						
Highly skilled supervision (levels 9–12)						
Senior management (levels 13–16)						
MM and S57						
Total						
						T4.6
*Number of employees in post at the beginning of the year.						
**Average calculated by taking sick leave in column 2 divided by total employees in column 5.						

Table 4.7: Number and period of suspensions

Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
Artisan Bricklayer	Refrain from any rude, abusive, insolent, provocative, intimidatory or aggressive behaviour to a fellow employee or member of the public (clause 1.2.9); obey all lawful and reasonable instructions given by a person having the authority to do so. (clause 1.2.4); Absent Without Leave (clause 1.2.7)	June 2018	Final written warning valid for 12 months; 10 days' suspension without pay.	2018/06/05
General Assistant (Roads Division)	Obey all lawful and reasonable instructions given by a person having the authority to do so. (clause 1.2.4)	March 2019	Final written warning valid for 12 months; 03 days' suspension without pay.	2019/03/06
Artisan Bricklayer	Obey all lawful and reasonable instructions given by a person having the authority to do so. (clause 1.2.4)	March 2019	Suspension of 10 days unpaid over a period of 3 months	2019/03/06
General Assistant: Maintenance	Refrain from any rude, abusive, insolent, provocative, intimidatory or aggressive behaviour to a fellow employee or member of the public (clause 1.2.9); misconduct: negligent behaviour which may result in damaging council property	March 2019	Suspension of 3 days unpaid	2019/03/14
General Assistant: Concrete (2700)	Use of intoxicating drugs	April 2019	Suspension of 10 days unpaid	17/04/2019
General Assistant: Concrete (2669)	Use of intoxicating drugs	April 2019	Suspension of 10 days unpaid	17/04/2019
				T4.7

Table 4.8: Disciplinary action taken against cases of financial misconduct

Position	Nature of alleged misconduct and rand value of loss to the Municipality	Disciplinary action taken	Date finalised
Fire Fighter	Misconduct: did not obey lawful and reasonable instructions given by a person authorised to do so. R 1651.91	Amount of R 1651.91 be deducted from employee's salary; written warning.	24.08.2018
Fire Fighters x 4	Misconduct: negligent behaviour which may result in damaging council property R11 247.81	The cost of the damaged goods deducted from the employees' salaries on a <i>pro rata</i> principle; written warning valid for 6 months.	19.09.2018
Fire Fighter	Misconduct: negligent behaviour which may result in damaging of council property R10 417.80	The cost of the damaged goods, be deducted from the employee's salary over 12 months principle; written warning valid for 6 months.	06.02.2019
Maintenance Foreman (Roads)	Misconduct: negligent behaviour which may result in damaging council property R 4950.00	The cost of the damaged goods deducted from the employee's salary on a <i>pro rata</i> principle; written warning valid for 12 months.	22.02.2019
<u>Water Personnel</u> <u>Members x 5</u> Principal Process Controller x1 Process Controller x 2 Supervisor Driver x1 Purification Assistant x1	Misconduct: negligent behaviour which may result in damaging council property R109 917.00	The cost of the damaged goods deducted from the employees' salaries; written warning valid for 6 months.	08.03.2019
General Assistant: Maintenance	Misconduct: negligent behaviour which may result in damaging council property R 4 542.06	The cost of the damaged goods deducted from the employee's salary on a <i>pro rata</i> principle; written warning valid for 6 months.	18.03.2019
			T4.8

4.4 PERFORMANCE REWARDS

No performance reward system for permanent employees.

Performance contracts are entered into with the Section 57 employees.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

4.5.1 INTRODUCTION: WORKFORCE CAPACITY DEVELOPMENT

Training initiatives are rolled out in the Municipality, including apprenticeships as mechanic, carpenter and bricklayer trades, as well as learnerships in water process control and the construction of roads. Training for fire personnel is a priority in the Municipal District, and recruits are appointed and sent for the necessary training. Short courses to develop skilled employees are rolled out annually according to the Workplace Skills Plan, which is linked to the strategic objectives of the West Coast District Municipality.

Table 4.9: Skills matrix

Management level	Gender	Employees in post as at 30 June 2018 (N)	Number of skilled employees required and actual as at 30 June 2018			
			Received training		Percentage	
			Original	Actual	Original	Actual
Legislators	Female	9	3	3	28	28
	Male	16	4	4		
Directors and corporate managers	Female	4	1	1	48	48
	Male	17	9	9		
Professionals	Female	20	15	15	81	81
	Male	23	20	20		
Technicians and associate professionals	Female	21	5	5	68	68
	Male	45	40	40		
Total		155	97	97	63	63
T4.9						

Table 4.10: Financial competency development: Progress report*

Description	A. Total: Officials employed by Municipality	B. Total: Officials employed by municipal entities	Consolidated: total: A + B	Competency assessments completed: A + B	Total: Officials with performance agreements compiling with	Total: Officials meeting prescribed competency
Financial officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	0	0	0	0	0	0
Senior managers	2	0	2	2	2	2
Any other financial official	14	0	14	0	0	14
SCM officials						
Heads of SCM units	1	0	1	0	0	1
SCM senior manager	0	0	0	0	0	0
Total	18	0	18	3	3	18

*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulation (June 2007) Table 4.10

Table 4.11: Skills development and expenditure (R'000)

Management level	Gender	Employees in post as at 30 June 2018 (N)	Total number of employees who received training and percentage			
			Received training		%	
			Original	Actual	Original	Actual
Legislators	Female	9	3	3	28	28
	Male	16	4	4		
Directors and corporate managers	Female	4	1	1	48	48
	Male	17	9	9		
Professionals	Female	20	15	15	81	81
	Male	23	20	20		
Technicians and associate professionals	Female	21	5	5	68	68
	Male	45	40	40		
Clerical and administrative workers	Female	18	7	7	41	41
	Male	9	4	4		
Community and personal services workers	Female	7	7	7	88	88
	Male	60	52	52		
Skilled Agricultural, Forestry, Fishery, Craft and Related Trade Workers	Female	1	0	0	81	81
	Male	15	13	13		
Machine operators and drivers	Female	0	0	0	81	81
	Male	47	38	38		
Elementary occupations	Female	24	4	4	30	30
	Male	193	62	62		
Total		529	284	284	54	54

Table 4.11

CHAPTER 5

FINANCIAL PERFORMANCE

CHAPTER 5: FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- **Component A:** Statement of Financial Performance
- **Component B:** Spending Against Capital Budget
- **Component C:** Other Financial Matter

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**

DC1 West Coast - Reconciliation of Table A1 Budget Summary												
Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance (i.e. MFMA s28)	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Service concession	99,089	(2,176)	96,914	80,295	-	(16,619)	82.9%	81.0%	-	-	-	92,371
Investment revenue	18,030	1,427	19,457	27,904	-	8,448	143.4%	154.8%	-	-	-	21,753
Transfers recognised - operational	92,612	3,919	96,531	94,128	-	(2,403)	97.5%	101.6%	-	-	-	92,116
Other own revenue	142,890	10,499	153,388	155,359	-	1,970	101.3%	108.7%	-	-	-	148,043
Total Revenue (excluding capital transfers and contributions)	352,621	13,669	366,290	357,686	-	(8,604)	97.7%	101.4%	-	-	-	354,284
Employee costs	176,750	(2,363)	174,386	176,126	-	1,740	101.0%	99.6%	-	-	-	164,791
Remuneration of councillors	6,405	-	6,405	6,140	-	(266)	95.9%	95.9%	-	-	-	5,942
Debt impairment	800	-	800	227	-	(573)	28.4%	28.4%	-	-	-	151
Depreciation & asset impairment	7,427	13,611	21,038	8,755	-	(12,283)	41.6%	117.9%	-	-	-	11,760
Finance charges	165	-	165	3,663	-	3,498	2217.9%	2217.9%	-	-	-	5,474
Materials and bulk purchases	69,589	2,972	72,561	48,819	-	(23,741)	67.3%	70.2%	-	-	-	44,379
Transfers and grants	2,675	237	2,912	2,234	-	(678)	76.7%	83.5%	-	-	-	1,567
Other expenditure	90,034	10,387	100,421	97,215	-	(3,206)	96.8%	108.0%	-	-	-	90,942
Total Expenditure	353,845	24,844	378,688	343,179	-	(35,509)	90.6%	97.0%	-	-	-	325,007
Surplus/(Deficit)	(1,224)	(11,175)	(12,399)	14,506	-	26,905	-117.0%	-1185.2%	-	-	-	29,277
Transfers recognised - capital	2,558	600	3,158	2,718	-	(440)	86.1%	106.3%	-	-	-	1,450
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1,334	(10,575)	(9,241)	17,224	-	26,465	-186.4%	1291.1%	-	-	-	30,727
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1,334	(10,575)	(9,241)	17,224	-	26,465	-186.4%	1291.1%	-	-	-	30,727
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	-	600	600	477	-	(123)	79.6%	0.0%	-	-	-	1,450
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3,355	6,471	9,826	8,943	-	(882)	91.0%	266.6%	-	-	-	6,656
Total sources of capital funds	3,355	7,071	10,426	9,421	-	(1,005)	90.4%	280.8%	-	-	-	8,106
Cash flows												
Net cash from (used) operating	10,309	3,036	13,344	59,104	-	45,760	442.9%	573.4%	-	-	-	60,422
Net cash from (used) investing	(3,355)	(7,071)	(10,426)	(9,220)	-	1,206	88.4%	274.8%	-	-	-	(8,035)
Net cash from (used) financing	-	-	-	(13,080)	-	(13,080)	0.0%	0.0%	-	-	-	(17,013)
Cash/cash equivalents at the year end	259,421	-	255,386	306,613	-	51,227	120.1%	118.2%	-	-	-	269,808

DC1 West Coast - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)												
Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
<i>Governance and administration</i>	105,766	3,386	109,152	127,603		18,451	116.9%	120.6%				125,545
Executive and council	-	800	800	-		(800)	-	-				224
Budget and treasury office	105,766	2,586	108,352	127,555		19,203	117.7%	120.6%				125,188
Corporate services	-	-	-	48		48	0.0%	0.0%				133
<i>Community and public safety</i>	23,793	47	23,840	24,211		371	101.6%	101.8%				23,707
Community and social services	-	-	-	(2)		(2)	0.0%	0.0%				-
Sport and recreation	4,270	-	4,270	4,240		(30)	99.3%	99.3%				3,643
Public safety	10,087	-	10,087	10,044		(43)	99.6%	99.6%				9,985
Housing	-	-	-	-		-	-	-				-
Health	9,436	47	9,483	9,929		446	104.7%	105.2%				10,079
<i>Economic and environmental services</i>	127,302	13,185	140,487	131,972		(8,515)	93.9%	103.7%				122,127
Planning and development	37	696	733	610		(123)	83.2%	1649.7%				756
Road transport	127,265	12,489	139,754	131,361		(8,392)	94.0%	103.2%				121,371
Environmental protection	-	-	-	-		-	-	-				-
<i>Trading services</i>	98,318	(2,350)	95,968	76,618		(19,350)	79.8%	77.9%				84,356
Electricity	-	-	-	-		-	-	-				-
Water	98,318	(2,800)	95,518	76,168		(19,350)	79.7%	77.5%				84,356
Waste water management	-	-	-	-		-	-	-				-
Waste management	-	450	450	450		-	100.0%	0.0%				-
<i>Other</i>	-	-	-	(0)		(0)	0.0%	0.0%				-
Total Revenue - Standard	355,179	14,269	369,448	360,404		(9,044)	97.6%	101.5%				355,734
Expenditure - Standard												
<i>Governance and administration</i>	55,616	14,718	70,334	56,331	(14,002)	(14,002)	80.1%	101.3%	-	-	-	49,738
Executive and council	10,616	914	11,530	10,092	(1,438)	(1,438)	87.5%	95.1%	-	-	-	12,164
Budget and treasury office	43,239	13,778	57,016	39,443	(17,574)	(17,574)	69.2%	91.2%	-	-	-	30,895
Corporate services	1,761	26	1,787	6,797	5,010	5,010	380.3%	386.0%	-	-	-	6,680
<i>Community and public safety</i>	70,188	(374)	69,814	68,241	(1,573)	(1,573)	97.7%	97.2%	-	-	-	64,211
Community and social services	2,352	(11)	2,341	2,015	(326)	(326)	86.1%	85.7%	-	-	-	1,652
Sport and recreation	5,872	(117)	5,755	5,267	(488)	(488)	91.5%	89.7%	-	-	-	5,011
Public safety	37,001	(378)	36,624	37,093	470	470	101.3%	100.2%	-	-	-	34,503
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	24,962	133	25,095	23,866	(1,228)	(1,228)	95.1%	95.6%	-	-	-	23,045
<i>Economic and environmental services</i>	136,751	12,519	149,270	140,098	(9,173)	(9,173)	93.9%	102.4%	-	-	-	129,357
Planning and development	9,487	30	9,517	8,737	(780)	(780)	91.8%	92.1%	-	-	-	8,070
Road transport	127,265	12,489	139,754	131,361	(8,392)	(8,392)	94.0%	103.2%	-	-	-	121,287
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	88,056	(2,020)	86,036	75,618	(10,417)	(10,417)	87.9%	85.9%	-	-	-	78,674
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	88,056	(2,470)	85,586	75,168	(10,417)	(10,417)	87.8%	85.4%	-	-	-	78,674
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	450	450	450	-	-	100.0%	0.0%	-	-	-	-
<i>Other</i>	3,233	1	3,234	2,890	(344)	(344)	89.4%	89.4%	-	-	-	3,027
Total Expenditure - Standard	353,845	24,844	378,688	343,179	(35,509)	(35,509)	90.6%	97.0%	-	-	-	325,007
Surplus/(Deficit) for the year	1,334	(10,575)	(9,241)	17,224	26,465	26,465	-186.4%	1291.1%	-	-	-	30,727

5.2 GRANTS

	30 June 2019	30 June 2018
Western Cape Financial Management Grant (Risk & MSCOA)	280 000	422 164
Local Government Graduate Internship Grant	205 322	81 566
Western Cape Financial Management Grant (IDP)	597 021	692 458
Western Cape Financial Management Grant (Internship)	-	168 769
RSC Levy Replacement Grant (Equitable Share)	72 197 000	70 061 000
Equitable Share	16 208 000	14 911 000
Financial Management / Spatial Development	477 360	-
Financial Management Grant	1 000 000	1 250 000
EPWP	1 047 000	1 100 000
Donations Mayor	-	222 818
Greenest Municipality Competition	-	75 275
Capacity Building Health Services	101 960	162 040
Western Cape Provincial Emergency Grant	450 000	-
Rural Roads Management	2 240 818	2 206 743
Working for Water	-	1 009 836
Fire Services Capacity Building Grant	1 483 000	1 450 000
Other Government Grants and Subsidies : Less VAT on administration charge	558 317	- 247 500
Total	96 845 798	93 566 169

5.3 ASSET MANAGEMENT

INTRODUCTION

Property, plant and equipment are tangible assets that:

- Are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- Are expected to be used during more than one period.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance and is expensed.

The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset

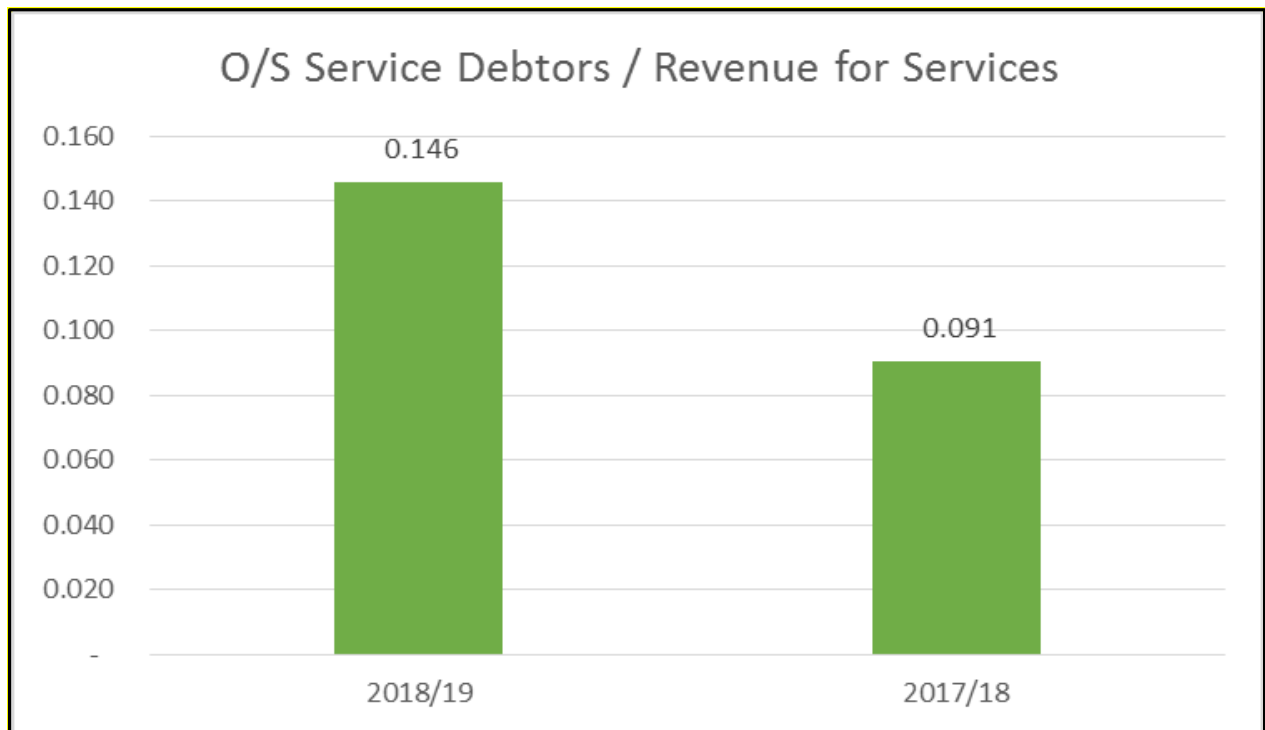
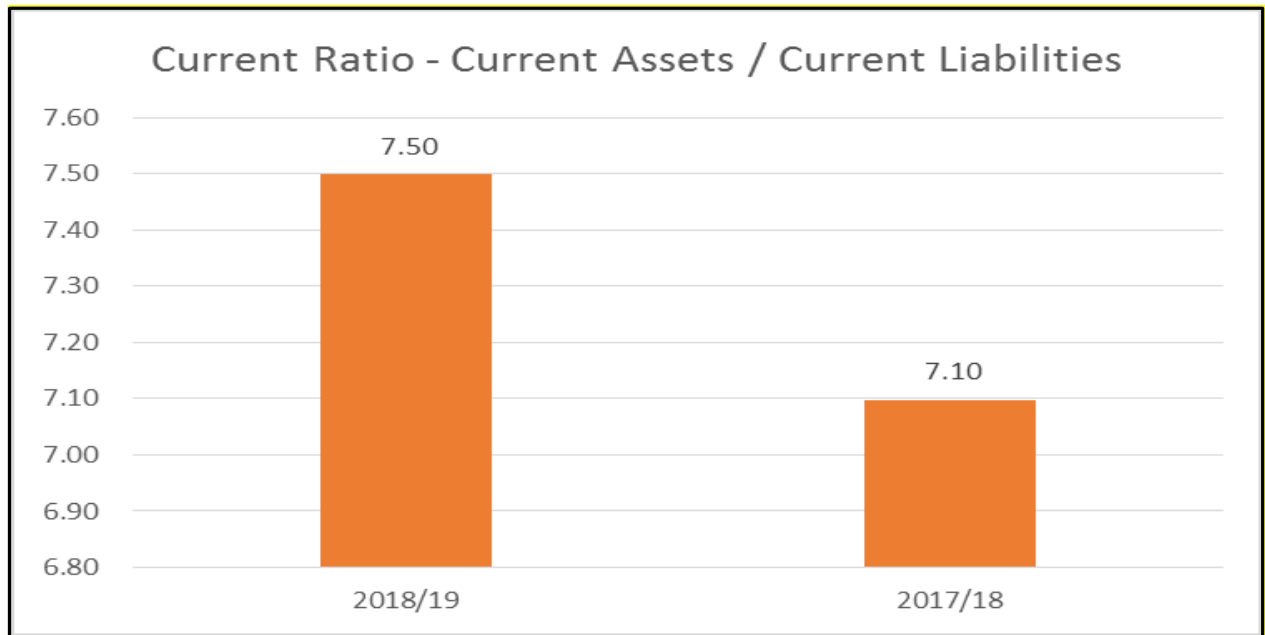
TREATMENT OF THE TWO LARGEST ASSETS ACQUIRED YEAR 1				
Asset 1				
Name	Information Technology			
Description				
Asset Type	Infrastructure			
Key Staff Involved	D Joubert	J C P Tesselaar	J Jonker	
Staff Responsibilities	Municipal Manager	Chief Financial Officer	Snr Manager: Income and Expenditure	
	Year -2	Year -1	Year 0	Year 1
Asset Value				3 227
Capital Implications	None			
Future Purpose of Asset	Technological enhancement			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy	Supply Chain Policy	Credit Control Policy	

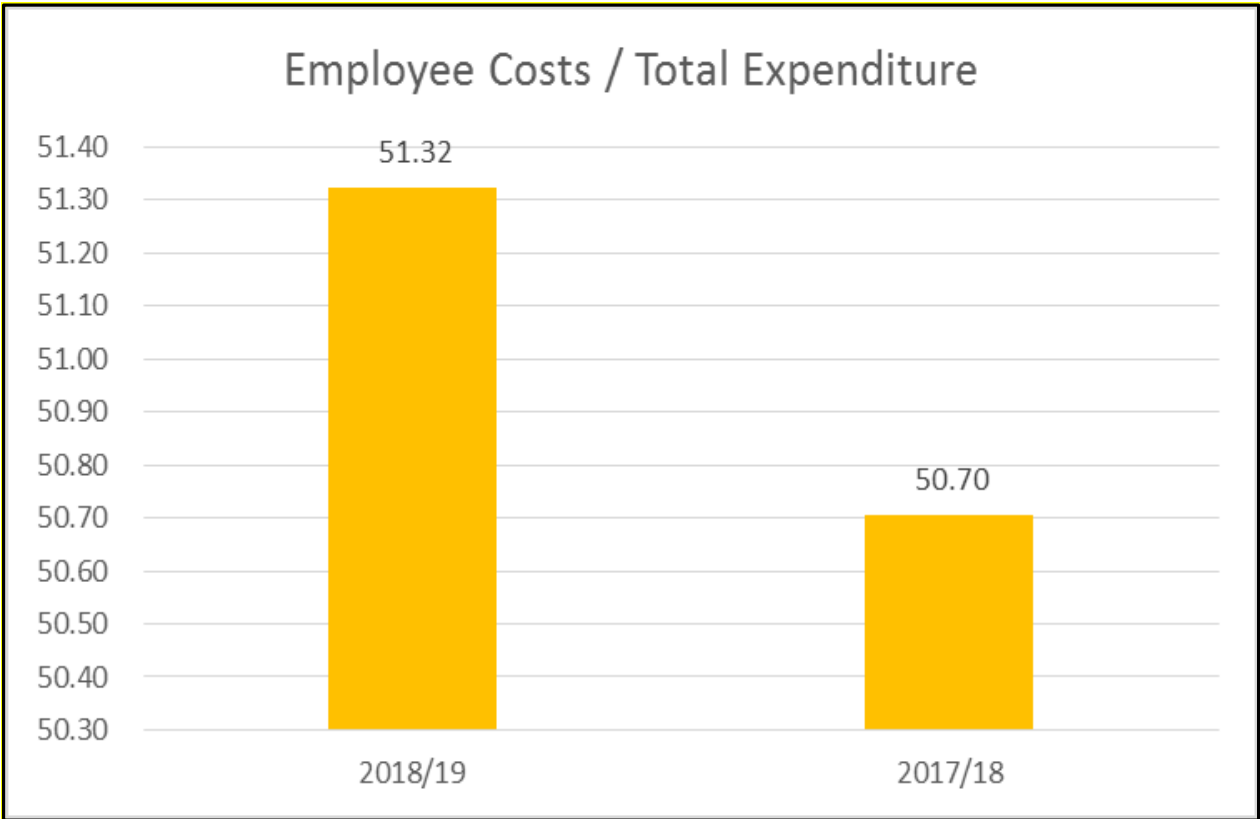
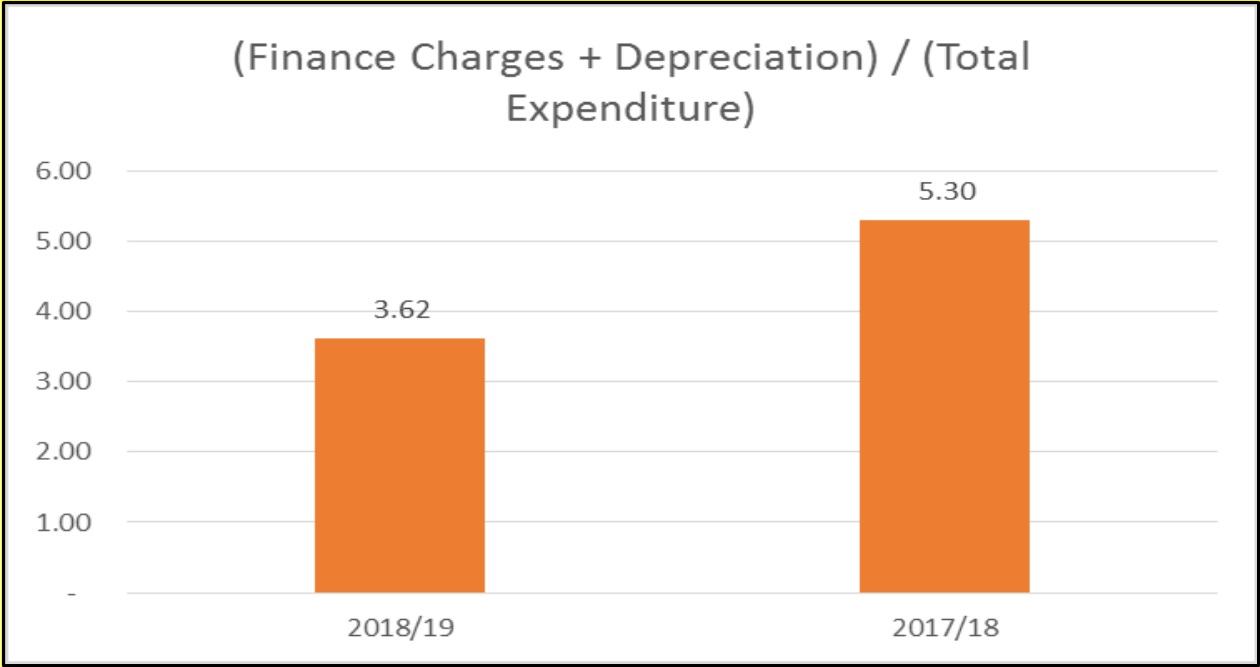
Asset 2				
Name	Fire Equipment and Vehicles			
Description				
Asset Type	Infrastructure			
Key Staff Involved	D Joubert	J C P Tesselaar	PR April	W Markus
Staff Responsibilities	Municipal Manager	Chief Financial Officer	Snr Manager: Finance & Control	Director: Corporate and Community Services
Asset Value	Year -2	Year -1	Year 0	Year 1
				3 154
Capital Implications	None			
Future Purpose of Asset	Fire Fighting			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy	Supply Chain Policy	Credit Control Policy	
T5.3.2				

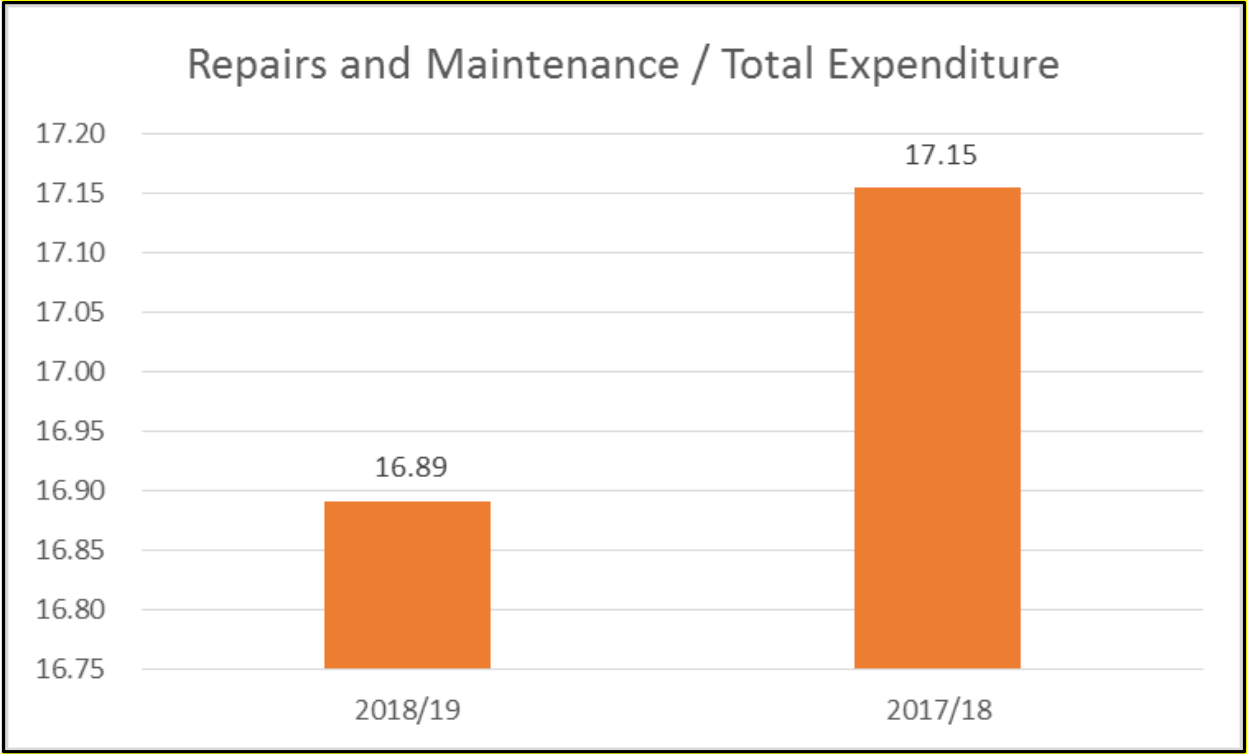
Repair and Maintenance Expenditure: Year 1				
	Original Budget	Adjustment Budget	Actual	Budget spent
Repairs and Maintenance Expenditure (Other Materials)	52 648	61 227	57 968	94.68%
T5.3.4				

5.4 FINANCIAL RATIO'S

T5.4.1



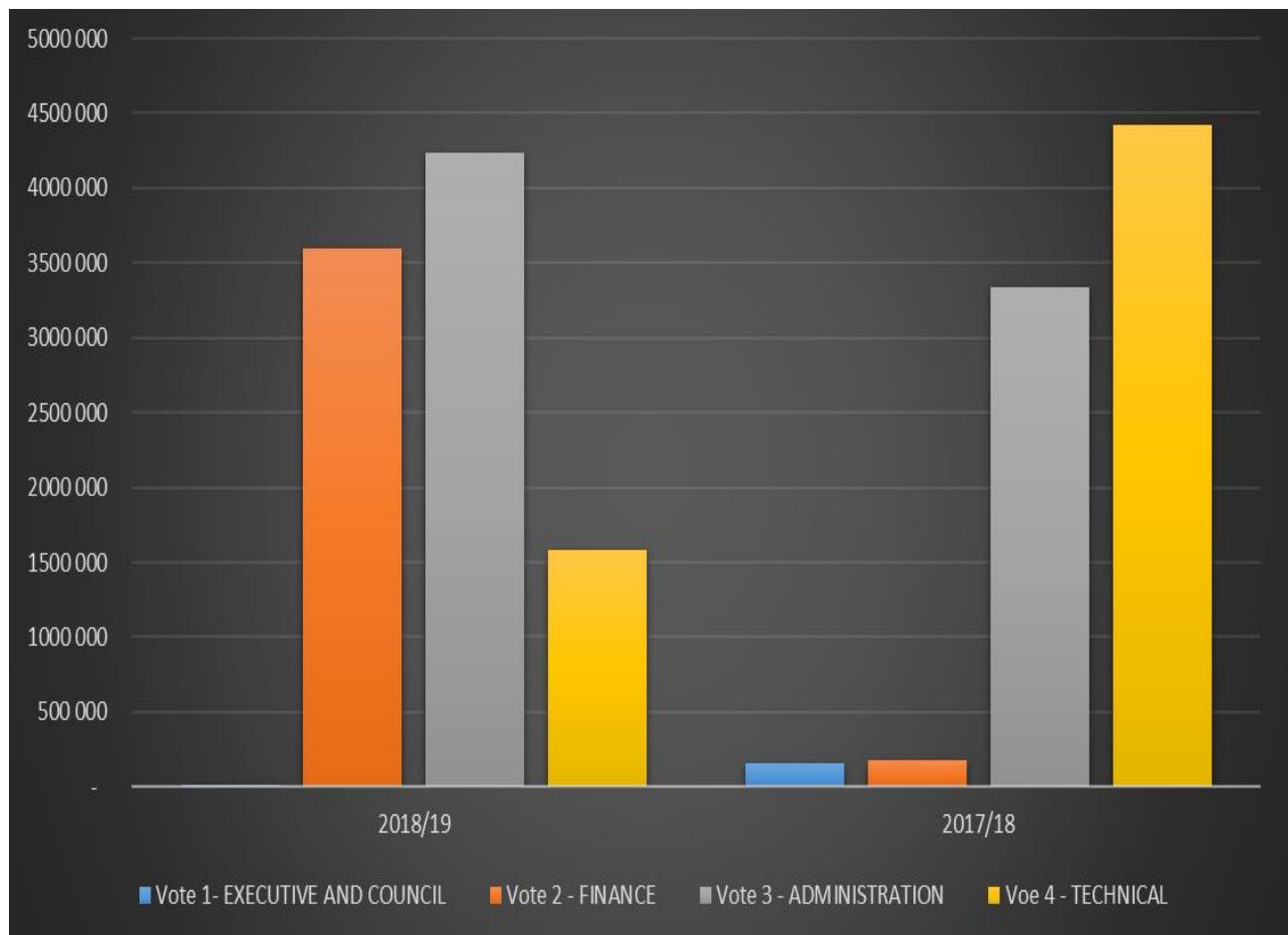




COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION

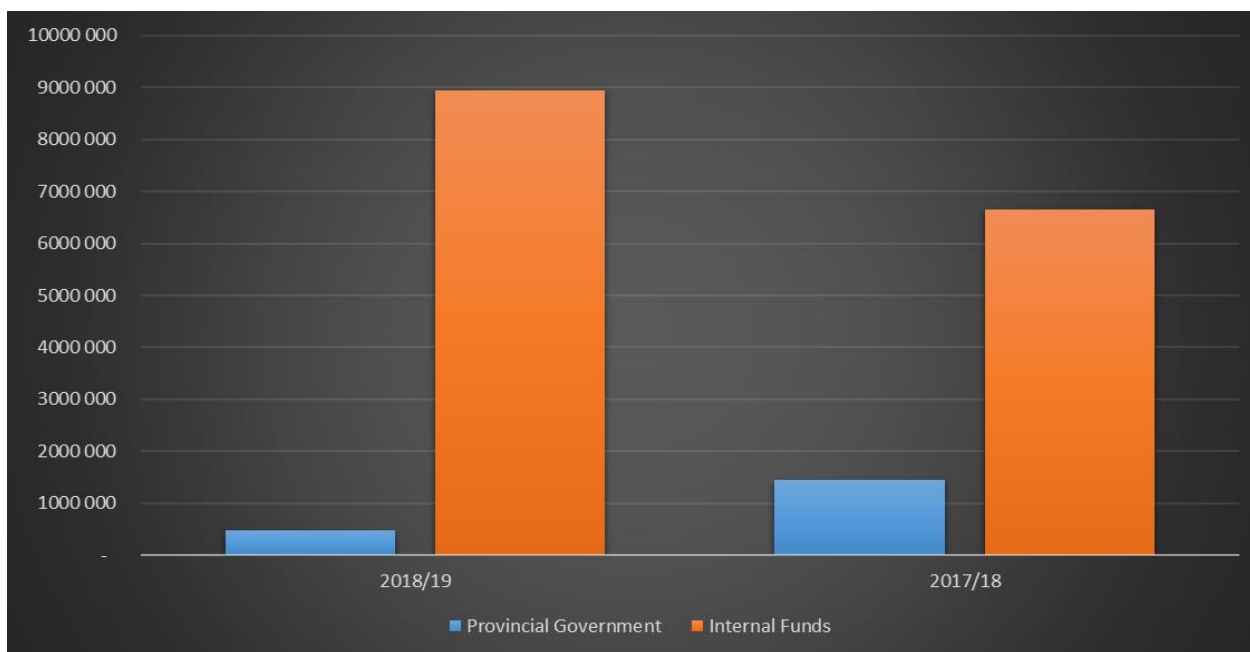
DC1 West Coast - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding												
Vote Description	2018/19								2017/18			
	Original Budget	Total Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-	-	-	8
Vote 2 - FINANCE	454	159	613	877	-	264	143%	193%	-	-	-	-
Vote 3 - ADMINISTRATION	703	1 476	2 179	2 472	-	294	113%	352%	-	-	-	83
Vote 4 - TECHNICAL	89	698	787	52	-	(735)	7%	59%	-	-	-	4 281
Vote 5 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 6 - Vote6	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	1 246	2 332	3 578	3 402	-	(176)	95%	273%	-	-	-	4 372
Single-year expenditure												
Vote 1 - EXECUTIVE AND COUNCIL	26	36	62	14	-	(48)	22%	52%	-	-	-	155
Vote 2 - FINANCE	11	3 019	3 030	2 715	-	(315)	90%	24680%	-	-	-	180
Vote 3 - ADMINISTRATION	1 787	339	2 126	1 765	-	(361)	83%	99%	-	-	-	3 253
Vote 4 - TECHNICAL	284	1 346	1 630	1 526	-	(104)	94%	537%	-	-	-	145
Vote 5 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 6 - Vote6	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	2 108	4 739	6 848	6 019	-	(829)	88%	285%	-	-	-	3 734
Total Capital Expenditure - Vote	3 355	7 071	10 426	9 421	-	(1 005)	90%	281%	-	-	-	8 106
Capital Expenditure - Standard												
Governance and administration	1 565	2 753	4 317	4 096	-	(221)	95%	262%	-	-	-	230
Executive and council	16	37	53	14	-	(40)	26%	86%	-	-	-	146
Budget and treasury office	1 549	2 716	4 264	4 082	-	(182)	96%	264%	-	-	-	83
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	1 790	2 688	4 478	3 747	-	(732)	84%	209%	-	-	-	3 433
Community and social services	36	(1)	34	34	-	(0)	100%	97%	-	-	-	181
Sport and recreation	65	148	213	228	-	15	107%	351%	-	-	-	180
Public safety	798	2 863	3 661	3 154	-	(507)	86%	395%	-	-	-	2 927
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	891	(321)	571	330	-	(240)	58%	37%	-	-	-	144
Economic and environmental services	-	600	600	557	-	(43)	93%	0%	-	-	-	9
Planning and development	-	600	600	557	-	(43)	93%	-	-	-	-	9
Road transport	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	1 030	1 030	1 021	-	(9)	99%	0%	-	-	-	4 426
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	4 426
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	1 030	1 030	1 021	-	(9)	99%	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	8
Total Capital Expenditure - Standard	3 355	7 071	10 426	9 421	-	(1 005)	90%	281%	-	-	-	8 106
Funded by:												
National Government	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	600	600	477	-	(123)	80%	-	-	-	-	1 450
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	600	600	477	-	(123)	80%	0%	-	-	-	1 450
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 355	6 471	9 826	8 943	-	(882)	91%	267%	-	-	-	6 656
Total Capital Funding	3 355	7 071	10 426	9 421	-	(1 005)	90%	281%	-	-	-	8 106



5.6 SOURCES OF FINANCE

Vote Description		2018/19							2017/18				
		Original Budget	Total Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand													

Funded by:												
National Government	-	-	-	-		-	-	-				-
Provincial Government	-	600	600	477		(123)	80%	-				1 450
District Municipality	-	-	-	-		-	-	-				-
Other transfers and grants	-	-	-	-		-	-	-				-
Transfers recognised - capital	-	600	600	477		(123)	80%	0%				1 450
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-		-	-	-				-
Internally generated funds	3 355	6 471	9 826	8 943		(882)	91%	267%				6 656
Total Capital Funding	3 355	7 071	10 426	9 421		(1 005)	90%	281%				8 106



5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original spent(%)	Adjustment spent (%)
A – Time and Attendance System	-	3 301 480	3 174 312	-	96.15%
B – Fire Fighting Vehicles	600 000	2 376 144	2 365 136	47.46%	99.54%
C – Landfill Site	-	1 047 650	1 021 057	-	97.46%
D – Spatial Development Plan	-	600 000	556 920	-	92.82%
E – Fire Stations	714 800	515 074	515 073	-	100.00%
* Projects with the highest capital expenditure in Year 1					

Name of Project - A	
Objective of Project	Information Technology
Delays	None
Future Challenges	None

Name of Project - B	
Objective of Project	Disaster relief
Delays	None
Future Challenges	None

Name of Project - C	
Objective of Project	Bulk water supply
Delays	None
Future Challenges	None

Name of Project - D	
Objective of Project	Disaster relief
Delays	None
Future Challenges	None

Name of Project - E	
Objective of Project	Bulk water supply
Delays	None
Future Challenges	None
T5.7.1	

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs						
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport				%	%	
<i>Roads, Pavements & Bridges</i>				%	%	
<i>Storm water</i>				%	%	
Infrastructure - Electricity				%	%	
<i>Generation</i>				%	%	
<i>Transmission & Reticulation</i>				%	%	
<i>Street Lighting</i>				%	%	
Infrastructure - Water				%	%	
<i>Dams & Reservoirs</i>				%	%	
<i>Water purification</i>				%	%	
<i>Reticulation</i>				%	%	
Infrastructure - Sanitation				%	%	
<i>Reticulation</i>				%	%	
<i>Sewerage purification</i>				%	%	
Infrastructure - Other				%	%	
<i>Waste Management</i>				%	%	
<i>Transportation</i>				%	%	
<i>Gas</i>				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	
<p>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						
T5.8.3						

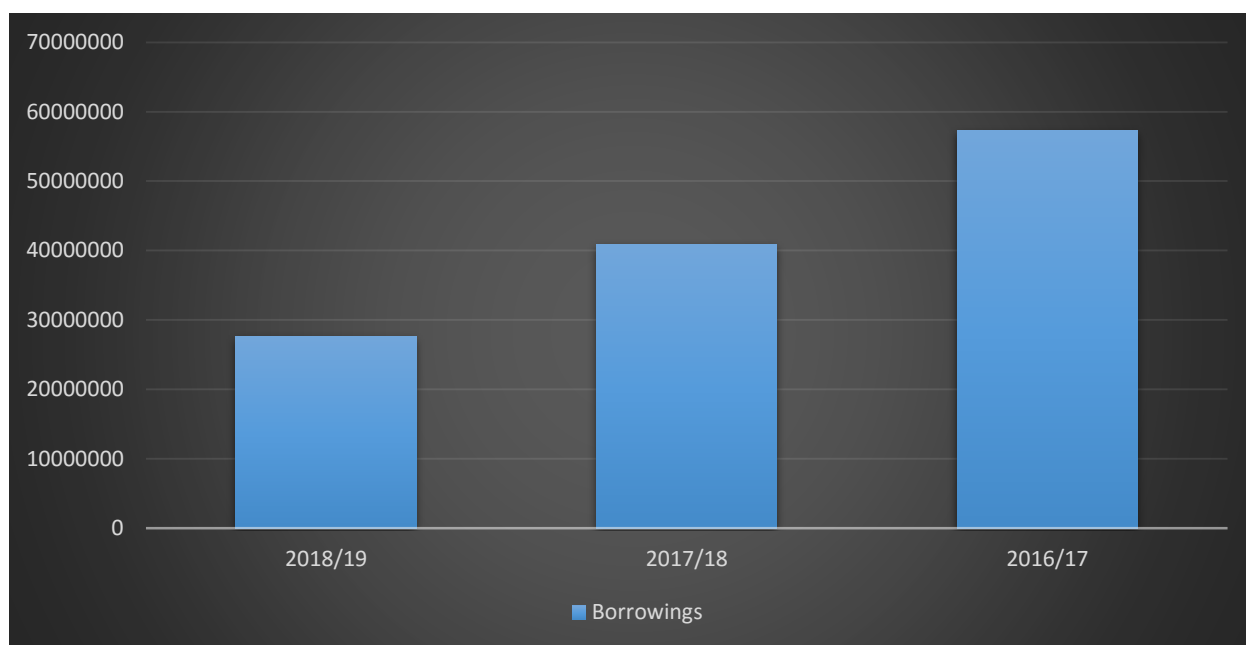
5.8 CASH FLOW

DC1 West Coast - Reconciliation of Table A7 Budgeted Cash Flows								
Description	2018/19							2017/18
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties and collection charges	-	-	-	-	-	-	-	-
Service concession revenue	100,637	(2,176)	98,461	79,325	(19,137)	80.6%	78.8%	92,371
Other revenue	140,542	10,499	151,040	154,499	3,458	102.3%	109.9%	171,643
Government - operating	92,612	3,919	96,531	94,128	(2,403)	97.5%	101.6%	92,116
Government - capital	2,558	600	3,158	2,718	(440)	86.1%	106.3%	1,450
Interest	18,030	1,427	19,457	27,904	8,448	143.4%	154.8%	21,753
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(341,230)	(10,996)	(352,226)	(293,572)	58,654	83.3%	86.0%	(311,870)
Finance charges	(165)	-	(165)	(3,663)	(3,498)	2217.9%	2217.9%	(5,474)
Transfers and Grants	(2,675)	(237)	(2,912)	(2,234)	678	76.7%	83.5%	(1,567)
NET CASH FROM/(USED) OPERATING ACTIVITIES	10,309	3,036	13,344	59,104	45,760	442.9%	573.4%	60,422
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	201	201	-	-	61
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(3,355)	(7,071)	(10,426)	(9,421)	1,005	90.4%	280.8%	(8,096)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3,355)	(7,071)	(10,426)	(9,220)	1,206	88.4%	274.8%	(8,035)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	-	-	-	(13,080)	(13,080)	0.0%	0.0%	(17,013)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	(13,080)	(13,080)	0.0%	0.0%	(17,013)
NET INCREASE/ (DECREASE) IN CASH HELD	6,954	(4,035)	2,919	36,805				35,374
Cash/cash equivalents at the year begin:	252,467	-	252,467	269,808				234,434
Cash/cash equivalents at the year end:	259,421	-	255,386	306,613	51,227	120.1%	118.2%	269,808

5.9 BORROWING AND INVESTMENT

Actual Borrowings			
Instrument	2016 / 2017	2017 / 2018	2018 / 2019
<u>Municipality</u>			
Long-Term Loans (annuity/reducing balance)	57 246	40 884	27 610
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	57 246	40 884	27 610
<u>Municipal Entities</u>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			

T5.10.2



Municipal and Entity Investments			
Investment* type	2016 / 2017	2017 / 2018	2018 / 2019
	Actual	Actual	Actual
<u>Municipality</u>			
Deposits - Bank			
FNB	-	-	-
NEDBANK	-	-	-
ABSA	-	-	-
NEDBANK	-	-	-
INVESTEC	-	-	-
NEDBANK	-	-	-
Municipality Total	-	-	-
T5.10.4			

*The municipality transferred its short-term investments to the primary bank account at FNB for the year ended 30 June 2017 to 2019.

5.10 SUPPLY CHAIN MANAGEMENT

The West Coast District Municipality has established a fully operational Supply Chain Unit in line with the approved SCM Policy.

More information is contained in Appendix H – Long-term contracts and PPP and Appendix I – Service Provider Performance Schedule.

Table 5.11.1: Employees: Financial Services – Supply Chain Management

Job level	2017/2018	2018/2019			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	8	8	7	1	13%
10-12	1	1	1	0	0%
13-15	1	1	1	0	0%
16-18	1	1	1	0	0%
19-20	0	0	0	0	0%
Total	11	11	11	1	9%
T5.11.1					

CHAPTER 6

AUDITOR-GENERAL FINDINGS

CHAPTER 6 – AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

The Constitution Section 188(1)(b) states that the functions of the Auditor-General include the auditing of and reporting on the accounts, financial statements and financial management of all municipalities. The Local Government: Municipal Systems Act, Act 32 of 2000, Section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The West Coast District Municipality received clean audit reports for the financial years from 2010/2011 to 2017/2018.

COMPONENT B: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1 AUDITOR-GENERAL REPORT 2018/2019

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the West Coast District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the West Coast District Municipality set out on pages 3 to 99, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the West Coast District Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act no. 1 of 2018) (Dora).

Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 26 the financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of the matter.

Unaudited supplementary schedules

9. The supplementary information set out on pages 102 to 106 and 113 to 117 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the (SA Standards of GRAP) and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the West Coast District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2019:

Objectives	Pages in the annual performance report
Strategic objective 1 – ensuring environmental integrity for the West Coast	5 – 6
Strategic objective 4 – promoting bulk infrastructure development services	9 – 11

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for these objectives:
- Strategic objective 1 – ensuring environmental integrity for the West Coast
 - Strategic objective 4 – promoting bulk infrastructure development services

Other matter

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 5 to 11 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the annual, report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If based on the work I have performed on the other information that I obtained prior to date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
27. I have nothing to report in this regard.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

29 November 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the West Coast District Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Report of the auditor-general to Western Cape Provincial Parliament and the council on the West Coast District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the West Coast District Municipality set out on pages 1 to 100 and 106 to 112, which comprise the statement of financial position as at 30 June 2018 the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the West Coast District Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 26 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Other matters

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

9. The supplementary information set out on pages 101 to 105 and 113 to 116 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

Responsibilities of the accounting officer

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the West Coast District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that

Unaudited supplementary schedules

9. The supplementary information set out on pages 101 to 105 and 113 to 116 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

Responsibilities of the accounting officer

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the West Coast District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that

may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2018:

Objectives	Pages in the annual performance report
Strategic objective 1: Ensuring environmental integrity for the West Coast	7 – 8
Strategic objective 3: Promoting bulk infrastructure development services	11 – 13
Strategic objective 4: Promoting social well-being of the community	13 – 14

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for these objectives:
- Strategic objective 1: Ensuring environmental integrity for the West Coast
 - Strategic objective 3: Promoting bulk infrastructure development services
 - Strategic objective 4: Promoting social well-being of the community

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 7 to 14 for information on the achievement of planned targets for the year and explanations provided for the under achievement of a number of targets.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control

Auditor - General

Cape Town

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the West Coast District Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA

Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. The complete draft annual report has been received for review and no material inconsistencies with the financial statements exist. The final printer's proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the West Coast District Council

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the West Coast District Municipality set out on pages 1 to 96, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the West Coast District Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 26 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2017.

Other matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

9. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Unaudited supplementary schedules

10. The supplementary information set out on pages 97 to 114 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the West Coast District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer's intention is to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2017:

Objectives	Pages in the annual performance report
Strategic objective 1 – Ensuring environmental integrity for the West Coast	260 – 260
Strategic objective 3 – Promoting social well-being of the community	264 – 264
Strategic objective 4 – Providing essential bulk services to the District	265 – 267

18. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objectives:
- Strategic objective 1 – Ensuring environmental integrity for the West Coast
 - Strategic objective 3 – Promoting social well-being for the community
 - Strategic objective 4 – Providing essential bulk services to the District

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 260 to 267 for information on the achievement of planned targets for the year and explanations provided for the under achievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

30 November 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the West Coast District Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures, as prescribed by the Constitution. These documents include plans, budgets, in-year reports and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe ‘what we do’.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the MFMA. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life for citizens within that particular area. If not provided, it may endanger public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.

Distribution indicators	The distribution of capacity to deliver services.
Financial statements	These include at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators (KPIs) key	After consultation with MECs for local government, the minister may prescribe general KPIs that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are 'what we use to do the work'. They include finances, personnel, equipment and buildings.
Integrated development plan (IDP)	Sets out municipal goals and development plans.
National performance areas key	<ul style="list-style-type: none"> • <input type="checkbox"/> Service delivery and infrastructure • <input type="checkbox"/> Economic development • <input type="checkbox"/> Municipal transformation and institutional development • <input type="checkbox"/> Financial viability and management • <input type="checkbox"/> Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are 'what we wish to achieve'.
Outputs	The final products or goods and services produced for delivery. Outputs may be defined as 'what we produce or deliver'. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation or a service such as processing an application) that contributes to the achievement of a key result area.
Performance indicator	31 October 2014

Performance information	Generic term for nonfinancial information about municipal services and activities. Can also be used interchangeably with 'performance measure'.
Performance standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed-upon criteria to describe how well work must be done in terms of quantity and/or quality and how promptly, in order to clarify the outputs and related activities of a job by describing what the required result should be. In this employee performance management and development system, performance standards are divided into indicators and the time factor.
Performance targets	The level of performance that municipalities and their employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services, including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a 'vote' as</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>

APPENDICES

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council members	Full-time / Part-time	Party represented	3 Jul 18 (Special)	29 Aug 18	2 Oct 18 (Special)	5 Dec 18 (98 th)	21 Jan 19 (99 th Gen)	27 Feb 19	27 Mar 19 (Special & 100 th Gen)	29 May 19 (Special & e	Council meetings attendanc e	Apologies for non- attendance	Absent without leave
SA Gxabalashe	Proportional	ANC	x	√	√	√	x	x	√	x	4	4	0
R Skei Resigned 8 April 19	Proportional	ANC	√	√	x	√	x	x	√		4	3	0
E Plaatjies Appointed on 3 May 19	Proportional	ANC								√	1	0	0
F Kamfer	Proportional	ANC	√	√	√	√	√	√	√	√	8	0	0
RW Strydom	Proportional	DA	√	√	√	√	√	√	√	√	8	0	0
JH Cleophas	Proportional	DA	√	√	√	√	√	√	√	√	8	0	0
G Stephan	Proportional	DA	√	x	√	√	√	√	√	√	7	1	0
RE Swarts	Proportional	DA	√	√	√	√	√	√	√	√	8	0	0
JA Engelbrecht	Proportional	DA	√	√	√	√	√	√	√	√	8	0	0
J Alexander	Proportional	DA	x	√	√	√	√	√	√	√	7	1	0
JJ Hoop	Proportional	DA	√	√	√	√	√	√	√	√	8	0	0
NM Ngobo*	Appointed	ANC	x	√	√	x	x	x	x	√	3	5	0

	Matzikama Mun												
M Carosini	Appointed Matzikama Mun	DA	x	√	√	√	√	x	√	√	6	2	0
NS Qunta	Appointed Cederberg Mun	ANC	√	√	√	√	√	√	√	√	8	0	0
J Meyer Resigned 20 Sept 18	Appointed Cederberg Mun	DA	√	√							2	0	0
RV Pretorius Appointed 19 Oct 18	Appointed Cederberg Mun	DA				√	√	√	√	√	5	0	0
SIJ Smit	Appointed Bergrivier Mun	ANC	√	√	√	√	x	√	√	√	7	1	0
J Daniels Resigned 01 Aug 18	Appointed Cederberg Mun	DA	√								1	0	0
JC Botha Appointed 17 Aug 18	Appointed Bergrivier Mun	DA			√	√	√	√	√	√	6	0	0
EB Mankay	Appointed Saldanha Bay Mun	ANC	x	√	√	√	√	x	√	√	6	2	0
E Nackerdien	Appointed Saldanha Bay Mun	ANC	x	√	√	√	√	√	√	x	5	3	0

FJ Schippers	Appointed Saldanha Bay Mun	DA	x	√	√	√	√	√	√	√	7	1	0
M Schrader	Appointed Saldanha Bay Mun	DA	x	√	√	√	√	x	x	√	5	3	0
SM Scholtz Resigned 13 Jun 19	Appointed Saldanha Bay Mun	DA	x	√	√	x	√	√	√	√	6	2	0
BJ Penxa	Appointed Swartland Mun	ANC	√	x	√	√	√	√	√	√	7	1	0
BJ Stanley	Appointed Swartland Mun	DA	√	√	√	x	√	√	√	√	7	1	0
VD McQuire	Appointed Swartland Mun	DA	√	√	√	√	√	√	√	√	8	0	0
N Smit Resigned 21 Jan 19	Appointed Swartland Mun	DA	√	√	√	√					4	0	0
CH Papers Appointed 06 Feb 19	Appointed Swartland Mun	DA						√	√	√	3	0	0

NM Ngobo* Absent with leave

Executive Mayoral Committee:

Alderman / Councillor	Full-time / Part-time	Party represented	25 Jul 18	14 Aug 18	26 Sept 18	17 Oct 18	21 Nov 18	13 Feb 19	13 Mar 19	24 Apr 19	20 May 19	26 Jun 19	Council meetings attendance	Apologies for non- attendance	Absent without leave
JH Cleophas	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0
RW Strydom	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0
VD McQuire	Swartland	DA	√	x	x	√	√	x	x	√	√	√	6	4	0
FJ Schippers	Saldanha Bay	DA	√	√	√	√	√	√	√	√	√	√	10	0	0
J Meyer Resigned 20 Sept 18	Proportional	DA	√	√									2	0	0
JA Engelbrecht	Proportional	DA						√	√	√	√	√	5	0	0
BJ Stanley	Swartland	DA	√	√	√	√	√	x	√	√	√	√	9	1	0
RE Swarts	Proportional	DA	√	x	x	√	√	√	√	√	√	√	8	2	0

SECTION 80 PORTFOLIO COMMITTEES:

PC Administration and Community Services

Alderman / Councillor	Full-time / Part-time	Party represented	3 Jul 18	7 Aug 18	4 Sept 18	2 Oct 18	6 Nov 18	5 Feb 19	5 Mar 19	2 Apr 19	14 May 19	4 Jun 19	Council meetings attendance	Apologies for non- attendance	Absent without leave
VD McQuire (Chairperson)	Swartland	DA	√	√	√	√	√	√	√	√	√	√	10	0	0
N Smit Resigned 21 Jan 19	Swartland	DA	√	√	√	√	√						5	0	0
CH Papers Appointed 06 Feb 19	Swartland	DA							√	√	x	√	3	1	0
EB Mankay*	Saldanha Bay	ANC	x	x	√	√	x	√	x	x	x	x	3	6	1
JJ Hoop	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0
SA Gxabalashe	Proportional	ANC	x	x	√	√	x	√	x	√	√	x	5	5	0
JA Engelbrecht Appointed as EMC member/ PC Chair SSED	Proportional	DA	√	√	√	√	√	√					6	0	0
R Pretorius	Cederberg	DA								√	x	√	2	1	0
J Alexander	Proportional	DA	x	√	√	√	√	√	√	√	√	√	9	1	0
JH Cleophas (Ex Officio)	Proportional	DA	√	√	x	√	√	√	x	√	√	√	8	2	0
RW Strydom (Ex Officio)	Proportional	DA	√	√	√	√	√	√	x	√	√	x	8	2	0
R Swarts (Ex Officio)	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0

*EB Mankay Absent without leave - 4 June 2019

PC Finance

Alderman / Councillor	Full-time / Part-time	Party represented	3 Jul 18	7 Aug 18	4 Sept 18	2 Oct 18	6 Nov 18	5 Feb 19	5 Mar 19	2 Apr 19	14 May 19	4 Jun 19	Council meetings attendance	Apologies for non-attendance	Absent without leave
FJ Schippers (Chairperson)	Saldanha Bay	DA	x	√	√	√	√	√	√	√	√	√	9	1	0
SM Scholtz	Saldanha Bay	DA	x	x	√	√	√	√	x	√	x	√	6	4	0
M Schrader	Saldanha Bay	DA	x	√	x	√	√	x	x	√	√	√	6	4	0
E Nackerdien	Saldanha Bay	ANC	x	√	√	√	√	x	√	x	√	x	6	4	1
SIJ Smit	Bergrivier	ANC	√	x	√	√	√	√	√	x	x	√	7	3	0
J Daniels Resigned 01 Aug 18	Bergrivier	DA	√										1	0	0
J Botha Appointed 17 Aug 18	Bergrivier	DA			√	√	√	√	√	√	√	√	8	0	0
JJ Hoop	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0
JH Cleophas (Ex Officio)	Proportional	DA	√	√	x	√	√	√	√	√	√	√	9	1	0
RW Strydom (Ex Officio)	Proportional	DA	√	√	√	√	√	√	x	√	√	x	8	2	0
R Swarts (Ex Officio)	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0

PC Infrastructure Services

Alderman / Councillor	Full-time / Part-time	Party represented	3 Jul 18	7 Aug 18	4 Sept 18	2 Oct 18	6 Nov 18	5 Feb 19	5 Mar 19	2 Apr 19	14 May 19	4 Jun 19	Council meetings attendance	Apologies for non-attendance	Absent without leave
BJ Stanley (Chairperson)	Swartland	DA	√	x	√	√	√	x	√	√	√	√	8	2	0
NM Ngobo*	Matzikama	ANC	x	x	x	√	√	√	√	x	x	x	4	6	1
M Carosini**	Matzikama	DA	x	x	x	√	√	√	√	x	x	√	6	4	2
G Stephan	Proportional	DA	√	x	x	√	√	√	√	√	√	√	6	4	0
J Alexander	Proportional	DA	x	√	√	√	√	√	√	√	√	√	7	3	0
J Daniels Resigned 01 Aug 18	Bergrivier	DA	√										1	0	0
J Botha Appointed 17 Aug 18	Bergrivier	DA			√	√	√	√	√	√	√	√	8	0	0
F Kamfer***	Proportional	ANC	√	√	√	√	√	√	√	√	x	√	10	0	1
JH Cleophas (Ex Officio)	Proportional	DA	√	√	x	√	√	√	x	√	√	√	9	1	0
RW Strydom (Ex Officio)	Proportional	DA	√	√	√	√	√	√	x	√	√	x	8	2	0
R Swarts (Ex Officio)	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0

*NM Ngobo

Absent without leave - 4 June 2019

**M Carosini

Absent without leave – 4 September 2018; 6 November 2018

***F Kamfer

Absent without leave – 14 May 2019

PC Strategic Support & Economic Development

Alderman / Councillor	Full-time / Part-time	Party represented	3 Jul 18	7 Aug 18	4 Sept 18	2 Oct 18	6 Nov 18	5 Feb 19	5 Mar 19	2 Apr 19	14 May 19	4 Jun 19	Council meetings attendance	Apologies for non-attendance	Absent without leave
J Meyer (Chairperson) Resigned 20 Sept 18	Cederberg	DA	√	√	√								3	0	0
JA Engelbrecht (Chairperson) Replaced J Meyer as Chair from 5 Feb 19	Swartland	DA	√	√	√	√	√	√	√	√	√	√	10	0	0
N Smit Resigned 21 Jan 19	Swartland	DA	√	√	√	√	√						5	0	0
CH Papers Appointed 06 Feb 19	Swartland	ANC							√	√	x	√	3	1	0
BJ Penxa	Swartland	DA	√	x	√	√	√	√	√	√	x	√	8	1	1
M Schrader	Proportional	ANC	x	√	x	√	√	x	x	√	√	√	6	4	0
G Stephan	Proportional	DA	√	x	x	√	√	√	√	√	√	√	6	2	0
R Skei Resigned 8 April 19	Proportional	DA	√	x									1	1	0
NS Qunta Replaced R Skei	Cederberg	DA			√	√	√	√	√	√	x	√	7	0	1
R Pretorius	Cederberg	DA							√	√	x	√	3	1	0

Replaced JA Engelbrecht as committee member															
JH Cleophas (Ex Officio)	Proportional	DA	√	√	x	√	√	√	x	√	√	√	8	2	0
RW Strydom (Ex Officio)	Proportional	DA	√	√	√	√	√	√	x	√	√	x	8	2	0
R Swarts (Ex Officio)	Proportional	DA	√	√	√	√	√	√	√	√	√	√	10	0	0

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

REPRESENTATION OF COUNCILLORS ON COMMITTEES

1. EXECUTIVE MAYORAL COMMITTEE

- a) Executive Mayor
JH Cleophas
- b) Executive Deputy Mayor
RW Strydom
- c) EMC Members
BJ Stanley
FJ Schippers
V McQuire
JA Engelbrecht
- d) Ex Officio
R Swarts

2. SECTION 80: PORTFOLIO COMMITTEES

<i>Portfolio Committee: Infrastructure Services</i>	<i>Portfolio Committee: Financial Services</i>	<i>Portfolio Committee : Administration & Community Services</i>	<i>Portfolio Committee : Strategic Support & Economic Development</i>
<u>Functions:</u> Spatial Planning and Development Roads Civil Engineering Projects Water Supply	<u>Functions:</u> Financial Management and Control Income and Expenditure Information Technology Supply Chain Management Ganzekraal Holiday Resort	<u>Functions:</u> Administration Municipal Environmental Health: Air Quality and Environmental Integrity Disaster Management Fire Services Social Development	<u>Functions:</u> Human Resources IDP LED Tourism
<u>PC Chair</u> BJ Stanley	<u>PC Chair</u> FJ Schippers	<u>PC Chair</u> V McQuire	<u>PC Chair</u> JA Engelbrecht
<u>PC Members</u> G Stephan J Botha J Alexander M Carosini F Kamfer NM Ngobo	<u>PC Members</u> M Schrader JJ Hoop J Botha Vacant SIJ Smit E Nackerdien	<u>PC Members</u> CH Papers JJ Hoop J Alexander R Pretorius EB Mankay SA Gxabalashe	<u>PC Members</u> G Stephan CH Papers R Pretorius M Schrader NS Qunta BJ Penxa
<u>Ex Officio</u> Executive Mayor Deputy Executive Mayor/ Speaker	<u>Ex Officio</u> Executive Mayor Deputy Executive Mayor/ Speaker	<u>Ex Officio</u> Executive Mayor Deputy Executive Mayor/ Speaker	<u>Ex Officio</u> Executive Mayor Deputy Executive Mayor/ Speaker

3. <u>STATUTORY COMMITTEES</u> Local Labour Forum Employer component	JA Engelbrecht V McQuire FJ Schippers BJ Stanley RW Strydom
4. <u>SALGA REPRESENTATIVES</u>	
Community Development and Social Cohesion <i>HIV/Aids awareness, Health, Poverty Alleviation, Arts and Culture, Public Safety (Local Crime Prevention, Disaster Management, Policing and law enforcement, Emergency and fire services), Youth Development programmes, Children and the elderly, Gender mainstreaming and Persons with Disability</i>	V McQuire Secundi: F Kamfer
Economic Empowerment and Employment Creation <i>Integrated Development Planning (IDPs, GDS, NSDP), Town Planning and Land Use Management, Public Employment Programmes, Expanded Public Works Programme (EPWP), Community Works Programme and Municipal-Private Sector Innovation on Public Employment Initiatives</i>	JA Engelbrecht Secundi: R Skei (Resigned 01 April 2019) E Plaatjes
Environmental Planning and Climate Resilience <i>Environmental regulations and Policies, Air Pollution, Environmental, Climate Change, Environmental Affairs and Sustainability, Paris Agenda on Climate Change, Environmental Management Programmes</i>	E Nackerdien Secundi: G Stephan
Human Settlements and Municipal Planning <i>Human Settlements and Planning Strategies, Affordable Housing Markets, Spatial Planning and Land-use Management, Integrated Urban Development Framework (IUDF)</i>	J Alexander Secundi: E Nackerdien
Public Transport and Roads <i>Mobility and Public Transport, Public Transport Investments, Integrated Rapid Transit, Roads Planning, Access Roads and Upgrading, Policies and Programmes</i>	BJ Stanley Secundi: R Pretorius
Water, Sanitation and Waste Management <i>Water, Sanitation, Waste Management, Tariff Modeling, Water Boards, Bulk Water, Distribution and Reticulation Value Chain</i>	JJ Hoop Secundi: J Alexander
Capacity Building and Institutional Resilience <i>Capacity Development: Human Resources, Capacity Building and Labour Relations implications, Organisational Development: LR implications, Restructuring of Municipalities, Labour Relations Matters and Institutional Issues relating to Municipal Service Partnerships</i>	RW Strydom Secundi: SA Gxabalashe
Governance and Intergovernmental Relations <i>Constitutional Matters, Local Government Legislation, Powers and Functions of Municipalities, IGR Policy Issues, Traditional Leaders, Demarcation Issues, Elections and Municipal By-Laws, Public Participation, Oversight and Governance, Parliamentary and Legislative matters, Municipal Interventions (Section 154 and 139), Councillor Code of Conduct and Enforcement Mechanism for Accountability, NCOP Programmes, Local Government Week and Outreach Programmes</i>	R Swarts Secundi: J Botha

Municipal Finance and Fiscal Policy <i>Intergovernmental fiscal policies, Municipal Finances (Credit control and Enforcement Mechanisms, Revenue generations Strategies and Municipal finance management), Municipal Owned Entities (performance and governance), Municipal capital projects, Infrastructure investment, Municipal Debt Management and Review, MSCOA Review</i>	FJ Schippers Secundi: JJ Hoop
Municipal Innovations and Information Technology <i>ICT, Knowledge Sharing and Barometer, SALGA Municipal Awards, Disruptive Technologies and Systems</i>	JJ Hoop Secundi: FJ Schippers

4. <u>OTHER COMMITTEES</u>	
A) IDP Coordinating Committee	JH Cleophas RW Strydom
B) IDP - Local Municipalities	
Bergvliet Municipality	JC Botha
Cederberg Municipality	R Pretorius
Matzikama Municipality	M Carosini
Saldanha Bay Municipality	M Schrader
Swartland Municipality	CH Papers
C) West Coast Biosphere Reserve	M Schrader
D) West Coast Regional – Tourism Organisation (RTO)	JA Engelbrecht JC Botha
E) Greater Cederberg Biodiversity Corridor	R Pretorius
F) West Coast Coastal Management Community	M Schrader
6. Appeal Authority	R Swarts BJ Stanley FJ Schippers
7. MPAC (Municipal Public Accounts Committee)	JJ Hoop (Chairperson) J Alexander M Schrader BJ Penxa Secundi: JC Botha
8. Expanded Public Works Programme (EPWP)	BJ Stanley

Executive Mayor, Executive Deputy Mayor and Speaker serve as ex officio members on all committees, where they have not been nominated as active members

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE		
Directorate	Designation	Official
Office of the Municipal Manager	Municipal Manager	Mr DC Joubert
	Senior Manager: Strategic Services	Mr FE Williams
	Senior Manager: Human Resources	Dr H Brand
	Manager: Internal Audit	Mr A Adams
	Manager: Training and Development	Mrs T Steinmann
	Manager: Community and Social Development	Mrs M Blanckenberg
	Manager: Tourism	Mrs H Van Rooyen
Administration and Community Services	Director Administration and Community Services	Mr W Markus
	Senior Manager: Municipal Environmental Health	Mr N de Jongh
	Regional Manager: Municipal Environmental Health	Mr H Swart (Matzikama) Mr H De Wee (Cederberg) Mr A Scott (Malmesbury) Mr R Swangasa (Saldanha-04 September 2018) Mr C Kotze (Bergrivier)
	Manager: Air Quality Control	Mrs C Ganten-Bein
	Manager: Administration	Mrs P (Z) Jacobs
	Disaster Management Manager	Mr F Petersen
	Chief Fire Officer	Mr B Senekal

Financial Services	Director Finance	Mr JCP Tesselaar
	Senior Manager: Financial Statements, Reporting and Asset Control	Mr P April
	Senior Manager: Income and Expenditure	Mr J Jonker
	Senior Manager: Supply Chain Management	Mr M Markus
	Manager: Information Technology	Mr H Matthews
Technical Services	Director Technical Services	Mr H Matthee
	Senior Manager: Roads	Mr D Van Der Westhuizen
	Senior Manager: Water Supply	Mr N Faasen
	Manager: Roads Construction and Maintenance	Mr M Visser
	Manager: Water Purification and Plant Support	Mr B van der Merwe
	Manager: Electrical and Instrumentation Services	Mr J van der Merwe
T C		

APPENDIX D – FUNCTIONS OF MUNICIPALITY/ENTITY

This will provide information on the functional and strategic performance of the municipality and will indicate how well the municipality is meeting its objectives and which policies and processes are working.

Municipal functions		
Municipal functions	Function applicable to Municipality (Yes/No)	Function applicable to entity (Yes/No)
Constitution Schedule 4, Part B functions		Not applicable
Air pollution	Yes	
Building regulations	Yes	
Childcare facilities		
Electricity and gas reticulation		
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports		
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport		
Municipal public works – only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution and any other function such as the maintenance of pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related		
Storm water management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances	Yes	
Control of undertakings that sell food to the public	Yes	
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		

Control of undertakings that sell food to the public	Yes	
Local amenities – Ganzekraal Holiday Resort	Yes	
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution	Yes	
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading		
Street lighting		
Traffic and parking		

APPENDIX E – WARD REPORTING

Not applicable to the District Municipality

APPENDIX F – WARD INFORMATION

Not applicable to the District Municipality.

APPENDIX G – RECOMMENDATIONS OF THE AUDIT COMMITTEE 2018/2019

Date of Committee	Committee recommendations during 2018/2019	Recommendation adopted (Yes) Not adopted (provide explanation)
18/07/2018	ITEM OK/18/07/18/7.1.1.1: FRAUD- AND RISK COMMITTEE TERMS OF REFERENCE That the Fraud- and Risk Committee Terms of Reference be approved.	Yes
18/07/2018	ITEM OK/18/07/18/7.1.1.2: RISK MANAGEMENT POLICY, RISK MANAGEMENT STRATEGY AND RISK IMPLEMENTATION PLAN FOR THE 2018/2019 FINANCIAL YEAR That the following policies be approved for the 2018/2019 financial year: 1. <input type="checkbox"/> Risk Management Policy 2. <input type="checkbox"/> Risk Management Strategy 3. <input type="checkbox"/> Risk Implementation Plan	Yes
18/07/2018	ITEM OK/18/07/18/7.1.1.3: WHISTLE BLOWING POLICY AND ANTI- FRAUD AND CORRUPTION PLAN That the following policies be approved for the 2018/2019 financial year: 1. <input type="checkbox"/> Whistle Blowing Policy 2. <input type="checkbox"/> Anti- Fraud and Corruption Plan	Yes
13/08/2018	ITEM OK/18/08/13/5.1.1: DRAFT FINANCIAL STATEMENTS 2017/2018 That the following be approved: Draft Financial Statements for the financial year 2017/2018: a) "Statements of financial position" b) "Statements of financial performance" c) "Statements of change in net assets" d) "Cash flow statements"	Yes
18/04/2019	ITEM OK/19/04/18/8.1: REVIEW OF THE AUDIT COMMITTEE CHARTER 2019/2020 1. <input type="checkbox"/> That the revised Audit- and Performance Audit Committee Charter 2019/2020 be approved; and 2. <input type="checkbox"/> That in the event where no changes are required to the current Charter, that it be approved and adopted for the 2019/2020 financial year.	Yes
18/04/2019	ITEM OK/19/04/18/8.2: REVIEW OF THE INTERNAL AUDIT CHARTER 2019/2020 1. <input type="checkbox"/> That the revised Internal Audit Charter 2019/2020 be approved; and 2. <input type="checkbox"/> That in the event where no changes are required to the current Charter, that it be approved and adopted for the 2019/2020 financial year.	Yes
19/06/2019	ITEM OK/19/06/19/7.1: RISK BASED INTERNAL AUDIT PLAN 2019/2020 That the Risk-Based Internal Audit Plan 2019/2020 be approved.	Yes

APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS

Long Contracts (Largest Contracts Entered into 2018/2019)					
Name of Service Provider (Entity of Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value R' 000
GET Mining Services (Pty) Ltd	Supply and delivery of grader blades	01/07/2018	30/06/2020	Roads Department	R 1 448 807.15 (1st year)
Ithuba Industries	Supply and delivery of concrete pipes in the Moorreesburg Area	01/07/2018	30/06/2020	Roads Department	R 632 473.75 (1st year)
NRB Piping Systems (Pty) Ltd	Supply and delivery of concrete pipes in the VanRhynsdorp Area	01/07/2018	30/06/2020	Roads Department	R 194 625.20 (1st year)
Supa Quick Vredendal	Supply and delivery of new tyres, retreading of tyres and subsidiary services, Cederberg and Matzikama area	01/07/2018	30/06/2020	Various departments	R 688 926.20 (1st year)
Supa Quick Moorreesburg	Supply and delivery of new tyres, retreading of tyres and subsidiary services, Swartland and Saldanha area	01/07/2018	30/06/2020	Various departments	R 1 426 452.03 (1st year)
Nu – Way Enterprises CC	Supply and delivery of traffic control signs	01/07/2018	30/06/2020	Roads Department	R 452 946.10 (1st year)
Piston Power Chemicals CC	Supply and bulk delivery of	01/07/2018	30/06/2020	Various Departments	R 583 205.22 (1st year)

	oils and lubricants				
Swift Silliker (Pty) Ltd	Bacteriological analysis of samples	01/10/2016	30/06/2019	N de Jongh	R 583 788.25 (3rd year)
Nexia – SAB & T	Risk Management Services	01/02/2017	30/06/2019	Internal Audit Department	R 190 771.20 (3rd year)
Startune (Pty) Ltd	Supply and delivery of protective clothing and footwear	01/01/2017	30/06/2019	Roads Department	R 656 249.93 (3rd year)
Sparks & Ellis	Supply and delivery of Fire Services station wear	01/01/2017	30/06/2019	Fire Department	R 208 702.67 (3rd year)
Namakwa Kontrakteurs (Pty) Ltd	Erecting of fencing in the West Coast DM area	01/07/2018	30/06/2020	Roads Department	R 737 954.49 (1st year)
Darling Security Services	Supply and delivery of security services	01/09/2017	30/06/2019	Roads Department	R 1 057 221.50 (2 nd)
SA Rotsbore	Drilling and developing of grondwater boreholes	01/02/2018	30/06/2019	Roads Department	R 33 730.00 (2nd year)

No public-private partnerships at the West Coast District Municipality

APPENDIX I – SERVICE PROVIDER PERFORMANCE SCHEDULE: 2018/2019

Tender	Tender Description	Duration of project	Performance in terms of the contract	Additional comments
WDM 02/2018	Short –term insurance for the period 01 July 2018 to 30 June 2019	1 year	Good	
WDM 06/2018	Supply and delivery of traffic signs for the period 01 July 2018 to 30 June 2019	2 years	Excellent	
WDM 12/2018	Supply and delivery of steel and related products for the period 01 July 2018 to 30 June 2019	2 years	Excellent	
WDM 04/2018	Supply and delivery of fencing material and erection of fencing from date of award to 30 June 2020	2 years	Excellent	
WDM 21/2018	Supply and deliver of an advertising agency service from 01 July 2018 to 30 June 2019	1 year	Unsatisfactory	Supplier performed poorly at times
WDM 05/2018	Supply and delivery of concrete pipes and culverts in the Moorreesburg Area for the period 01 July 2018 to 30 June 2020	2 years	Excellent	
WDM 05/2018	Supply and delivery of concrete pipes and culverts in the VanRhynsdorp Area for the period 01 July 2018 to 30 June 2020	2 years	Good	
WDM 07/2018	Supply and delivery Ironstone (Laterite or Ferricrete) for the period 01 July 2018 to 30 June 2020	2 years	Excellent	
WDM 08/2018	Supply and bulk delivery of oil and lubricants for the period 01 July 2018 to 30 June 2020	2 years	Good	



WDM 09/2018 ⁶	Supply and delivery of new tyres, tubes, retreading of tyres and subsidiary services in the Cederberg and Matzikama Area for the period 01 July 2018 to 30 June 2019	2 years	Excellent	
WDM 10/2018	Supply and delivery of new tyres, tubes, retreading of tyres and subsidiary services in the Swartland and West Coast for the period 01 July 2018 to 30 June 2020	2 years	Good	
WDM 11/2018	Supply and delivery of grader blades, plough bolts and nuts for the period 01 July 2018 to 30 June 2019	2 year	Good	
WDM 22/2018	Supply and delivery of security services at Ganzekraal Holiday Resort from 01 July 2018 to 30 June 2019	1 year	Fair	
WDM 13/2018	Review of air quality management plan for the West Coast District and five local municipalities	Ongoing	Fair	
WDM 14/2018	Review of coastal management plan for the West Coast District and five local municipalities	Ongoing	Fair	
WDM 15/2018	Supply and delivery of sudfloc to Withoogte and Swartland Water Purification Works	1 year	Good	
WDM 17/2018	Supply and delivery of chlorine gas to Withoogte Water Purification Works to 30 June 2019	1 year	Good	
WDM 19/2018	Supply, install and commission of PABX communication system	3 years	Good	
WDM 23/2018	Review and update of Spatial Development Framework	Ongoing	Excellent	
WDM 26/2018	Provision and installation of multi – functional printers to Administrative Offices	36 months	Excellent	
WDM 28/2018	Investment Destination Marketing Services for the West Coast Region	1 year	Excellent	

APPENDIX J –DISCLOSURE OF FINANCIAL INTERESTS: COUNCILLORS

Disclosure of Financial Interest		
Period 01 July 2018 – 30 June 2019		
Position	Name	Description of Financial interest
Executive Mayor	JH Cleophas	Shares and Security: Sasol – Azalo Khanyisa Directorship: Cleo Holdings Other financial interest in any business undertaking: Cleo Holdings
Member of Executive Mayoral Committee	RW Strydom	Interest in Property: Student flat in Potchefstroom (De Reitz 2, Unit 4)
	FJ Schippers	Membership - Close Corporation: Phalafala Farming CC (Reg. no. 2008/261467/23)
	BJ Stanley	None
	J Meyer (Resigned 20 September 2018)	None
	VD McQuire	None
	JA Engelbrecht	Partnership and Interest in property: Suurfontein, Lamberts Bay
Speaker	R Swarts	None
Councillor	SA Gxabalashe	Employment and remuneration: Employment by National Union of Mine Workers (NUM)
	R Skei (Resigned 01 April 2019)	Other-Business Enterprises: Lindiwe Logistic Services & Freight, Saldanha Black Business Women Association Directorship: Lindiwe Logistic Services & Freight, Saldanha Black Business Women Association Shares and Security: Lindiwe Logistic Services & Freight
	E Plaatjies (Appointed 03 May 2019)	Directorship: Vital Connection

	J Alexander	Membership - Close Corporation & Directorship: ILSANI Holdings CC
	J Hoop	None
	G Stephan	Interest in any trust: Dadelbos Trust Directorship: MLI Investments
Bergrivier Municipality	F Kamfer	Membership - Close Corporation: FK Projects Sharon Services and Projects Directorship: FA Verpakkers, FK Projects, Sharon Services and Projects Employment and remuneration: Dhadhla
Bergrivier Municipality	SIJ Smit	Other financial interest in any business: Owner liquor license
	J Daniels (Resigned 01 August 2018)	None
	JC Botha (Appointed 17 August 2018)	None
Cederberg Municipality	NS Qunta	Directorship: Senzwa Construction
	AJ du Plooy	Membership - Close Corporation: BAAPA Construction
	RV Pretorius (Appointed 19 October 2018)	None
Matzikama Municipality	NM Ngobo	None
	M Carosini	Shares and Security: Cadiz; Prodential; ADSA, Alan Gray, Investec
Saldanha Bay Municipality	EB Mankay	Shares and Security: Skhokele Projects Directorship: Skhokele Projects
	E Nackerdien	None
	M Schrader	Shares and Security: Terajan Shares Interest in property: Koperfontein 346/12, Matzikama Farm

	SM Scholtz (Resigned 13 June 2019)	None
Swartland Municipality	BJ Penxa	None
	N Smit (Resigned 21 January 2019)	None
	CH Papers (Appointed 06 February 2019)	None

APPENDIX J2 – DISCLOSURE OF FINANCIAL INTERESTS: SECTION 57 OFFICIALS

Disclosure of financial interest		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of financial interest
Municipal manager	DC Joubert	1) <input type="checkbox"/> 5 hectare small holding R 1 900 000 2) <input type="checkbox"/> Vacant plot R250 000
Chief financial officer	JCP Tesselaar	1) <input type="checkbox"/> Shares and fund investments worth R1 500 000 2) <input type="checkbox"/> 1 property worth R1 500 000
Director: Administration and Community Services	W Markus	1) <input type="checkbox"/> +/-50 shares in media 24 2) <input type="checkbox"/> 3 properties worth R 950 000
Director: Technical Service	H Matthee	1) <input type="checkbox"/> 4 properties worth R 5 250 000

APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (1): REVENUE COLLECTION PERFORMANCE BY VOTE FINANCIAL DISCLOSURE

DC1 West Coast - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)												
Vote Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1- EXECUTIVE AND COUNCIL	397	1,617	2,014	1,382		(632)	68.6%	348.1%				980
Vote 2 - FINANCE	106,609	1,427	108,036	129,253		21,217	119.6%	121.2%				128,831
Vote 3 - ADMINISTRATION	19,544	47	19,591	20,019		428	102.2%	102.4%				20,196
Vote 4 - TECHNICAL	103,922	(1,311)	102,611	80,629		(21,981)	78.6%	77.6%				84,356
Vote 5 - AGENCIES	124,707	12,489	137,196	129,120		(8,075)	94.1%	103.3%				121,371
Example 6 - Vote6	-	-	-	-		-	-	-				-
Example 7 - Vote7	-	-	-	-		-	-	-				-
Example 8 - Vote8	-	-	-	-		-	-	-				-
Example 9 - Vote9	-	-	-	-		-	-	-				-
Example 10 - Vote10	-	-	-	-		-	-	-				-
Example 11 - Vote11	-	-	-	-		-	-	-				-
Example 12 - Vote12	-	-	-	-		-	-	-				-
Example 13 - Vote13	-	-	-	-		-	-	-				-
Example 14 - Vote14	-	-	-	-		-	-	-				-
Example 15 - Vote15	-	-	-	-		-	-	-				-
Total Revenue by Vote	355,179	14,289	369,468	360,404		(9,044)	97.6%	101.3%				355,734
Expenditure by Vote to be appropriated												
Vote 1- EXECUTIVE AND COUNCIL	27,972	1,256	29,228	28,249	-	(979)	96.6%	101.0%	-	-	-	27,813
Vote 2 - FINANCE	31,830	13,376	45,206	33,415	-	(11,790)	73.9%	105.0%	-	-	-	31,354
Vote 3 - ADMINISTRATION	71,656	(359)	71,297	69,771	-	(1,525)	97.9%	97.4%	-	-	-	65,879
Vote 4 - TECHNICAL	97,680	(1,918)	95,762	82,623	-	(13,139)	86.3%	84.6%	-	-	-	78,674
Vote 5 - AGENCIES	124,707	12,489	137,196	129,120	-	(8,075)	94.1%	103.3%	-	-	-	121,287
Example 6 - Vote6	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	353,845	24,844	378,688	343,179	-	(35,509)	90.6%	97.0%	-	-	-	325,007
Surplus/(Deficit) for the year	1,334	(10,575)	(9,241)	17,224		26,465	-186.4%	1291.1%				

APPENDIX K – REVENUE COLLECTION PERFORMANCE BY SOURCE

DC1 West Coast - Reconciliation of Table A1 Budget Summary												
Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	-	-	-	-		-	-	-				-
Service concession	99,089	(2,176)	96,914	80,295		(16,619)	82.9%	81.0%				92,371
Investment revenue	18,030	1,427	19,457	27,904		8,448	143.4%	154.8%				21,753
Transfers recognised - operational	92,612	3,919	96,531	94,128		(2,403)	97.5%	101.6%				92,116
Other own revenue	142,890	10,499	153,388	155,359		1,970	101.3%	108.7%				148,043
Total Revenue (excluding capital transfers and contributions)	352,621	13,669	366,290	357,686		(8,604)	97.7%	101.4%				354,284
Employee costs	176,750	(2,363)	174,386	176,126	-	1,740	101.0%	99.6%	-	-	-	164,791
Remuneration of councillors	6,405	-	6,405	6,140	-	(266)	95.9%	95.9%	-	-	-	5,942
Debt impairment	800	-	800	227	-	(573)	28.4%	28.4%	-	-	-	151
Depreciation & asset impairment	7,427	13,611	21,038	8,755	-	(12,283)	41.6%	117.9%	-	-	-	11,760
Finance charges	165	-	165	3,663	-	3,498	2217.9%	2217.9%	-	-	-	5,474
Materials and bulk purchases	69,589	2,972	72,561	48,819	-	(23,741)	67.3%	70.2%	-	-	-	44,379
Transfers and grants	2,675	237	2,912	2,234	-	(678)	76.7%	83.5%	-	-	-	1,567
Other expenditure	90,034	10,387	100,421	97,215	-	(3,206)	96.8%	108.0%	-	-	-	90,942
Total Expenditure	353,845	24,844	378,688	343,179	-	(35,509)	90.6%	97.0%	-	-	-	325,007
Surplus/(Deficit)	(1,224)	(11,175)	(12,399)	14,506		26,905	-117.0%	-1185.2%				29,277
Transfers recognised - capital	2,558	600	3,158	2,718		(440)	86.1%	106.3%				1,450
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	1,334	(10,575)	(9,241)	17,224		26,465	-186.4%	1291.1%				30,727
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	1,334	(10,575)	(9,241)	17,224		26,465	-186.4%	1291.1%				30,727
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	-	600	600	477		(123)	79.6%	0.0%				1,450
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-		-	-	-				-
Internally generated funds	3,355	6,471	9,826	8,943		(882)	91.0%	266.6%				6,656
Total sources of capital funds	3,355	7,071	10,426	9,421		(1,005)	90.4%	280.8%				8,106
Cash flows												
Net cash from (used) operating	10,309	3,036	13,344	59,104		45,760	442.9%	573.4%				60,422
Net cash from (used) investing	(3,355)	(7,071)	(10,426)	(9,220)		1,206	88.4%	274.8%				(8,035)
Net cash from (used) financing	-	-	-	(13,080)		(13,080)	0.0%	0.0%				(17,013)
Cash/cash equivalents at the year end	259,421	-	255,386	306,613		51,227	120.1%	118.2%				269,808

APPENDIX L: CONDITIONAL GRANTS RECEIVED

	30 June 2019	30 June 2018
Western Cape Financial Management Grant (Risk & MSCOA)	280 000	422 164
Local Government Graduate Internship Grant	205 322	81 566
Western Cape Financial Management Grant (IDP)	597 021	692 458
Western Cape Financial Management Grant (Internship)	-	168 769
RSC Levy Replacement Grant (Equitable Share)	72 197 000	70 061 000
Equitable Share	16 208 000	14 911 000
Financial Management / Spatial Development	477 360	-
Financial Management Grant	1 000 000	1 250 000
EPWP	1 047 000	1 100 000
Donations Mayor	-	222 818
Greenest Municipality Competition	-	75 275
Capacity Building Health Services	101 960	162 040
Western Cape Provincial Emergency Grant	450 000	-
Rural Roads Management	2 240 818	2 206 743
Working for Water	-	1 009 836
Fire Services Capacity Building Grant	1 483 000	1 450 000
Other Government Grants and Subsidies : Less VAT on administration charge	558 317	- 247 500
Total	96 845 798	93 566 169

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

DC1 West Coast - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding												
Vote Description R thousand	2018/19								2017/18			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1- EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-	-	-	8
Vote 2 - FINANCE	454	159	613	877	-	264	143%	193%	-	-	-	-
Vote 3 - ADMINISTRATION	703	1 476	2 179	2 472	-	294	113%	352%	-	-	-	83
Vote 4 - TECHNICAL	89	698	787	52	-	(735)	7%	59%	-	-	-	4 281
Vote 5 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 6 - Vote6	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	1 246	2 332	3 578	3 402	-	(176)	95%	273%	-	-	-	4 372
Single-year expenditure												
Vote 1- EXECUTIVE AND COUNCIL	26	36	62	14	-	(48)	22%	52%	-	-	-	155
Vote 2 - FINANCE	11	3 019	3 030	2 715	-	(315)	90%	24680%	-	-	-	180
Vote 3 - ADMINISTRATION	1 787	339	2 126	1 765	-	(361)	83%	99%	-	-	-	3 253
Vote 4 - TECHNICAL	284	1 346	1 630	1 526	-	(104)	94%	537%	-	-	-	145
Vote 5 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 6 - Vote6	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	2 108	4 739	6 848	6 019	-	(829)	88%	285%	-	-	-	3 734
Total Capital Expenditure - Vote	3 355	7 071	10 426	9 421	-	(1 005)	90%	281%	-	-	-	8 106
Capital Expenditure - Standard												
Governance and administration	1 565	2 753	4 317	4 096	-	(221)	95%	262%	-	-	-	230
Executive and council	16	37	53	14	-	(40)	26%	86%	-	-	-	146
Budget and treasury office	1 549	2 716	4 264	4 082	-	(182)	96%	264%	-	-	-	83
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	1 790	2 688	4 478	3 747	-	(732)	84%	209%	-	-	-	3 433
Community and social services	36	(1)	34	34	-	(0)	100%	97%	-	-	-	181
Sport and recreation	65	148	213	228	-	15	107%	351%	-	-	-	180
Public safety	798	2 863	3 661	3 154	-	(507)	86%	395%	-	-	-	2 927
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	891	(321)	571	330	-	(240)	58%	37%	-	-	-	144
Economic and environmental services	-	600	600	557	-	(43)	93%	0%	-	-	-	9
Planning and development	-	600	600	557	-	(43)	93%	-	-	-	-	9
Road transport	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	1 030	1 030	1 021	-	(9)	99%	0%	-	-	-	4 426
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	4 426
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	1 030	1 030	1 021	-	(9)	99%	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	8
Total Capital Expenditure - Standard	3 355	7 071	10 426	9 421	-	(1 005)	90%	281%	-	-	-	8 106
Funded by:												
National Government	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	600	600	477	-	(123)	80%	-	-	-	-	1 450
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	600	600	477	-	(123)	80%	0%	-	-	-	1 450
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 355	6 471	9 826	8 943	-	(882)	91%	267%	-	-	-	6 656
Total Capital Funding	3 355	7 071	10 426	9 421	-	(1 005)	90%	281%	-	-	-	8 106

APPENDIX N – CAPITAL PROGRAMME BY PROJECT

Not Applicable

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

Not Applicable

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics					
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection	
Schools (NAMES, LOCATIONS)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Clinics (NAMES, LOCATIONS)					
<p><i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.</i></p> <p>TP</p>					

APPENDIX Q: CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Not applicable.

APPENDIX R: CAPITAL PROGRAMME BY PROJECT

Not applicable.

APPENDIX S: CAPITAL PROGRAMME BY WARD

Not applicable.

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and provincial outcomes for local government*		
Outcome/Output	Progress to date	Number or percentage achieved
Output: Improving access to basic services	All basic services backlogs have been addressed earlier by the District Municipality and it is now pursuing alternative bulk water sources through desalination, as well as the development of a regional waste disposal site within the District.	Not measured or quantifiable
Output: Implementation of the Community Work Programme	Extensive public works programmes have been implemented by the district, especially in the field of environmental management.	District Municipality has not participated in CWP, only EPWP.
Output: Deepen democracy through a refined Ward Committee model	The local municipality IDP Ward has been strengthened and the municipal public participation process has been implemented and coordinated with provincial and local government at district level.	The District municipality does not have ward committees, however the district municipality do participate in the local municipal public participation/ public meeting processes/ share with local municipalities their ward level and or public participation platforms
Output: Administrative and financial capability	Continuous corporate improvement of administrative and financial capabilities and systems have been carried out.	District municipality is rolling out the attendance on the MMC/ MFMP programme training to most staff in order to strengthen administrative and financial capabilities.
Output: Improving access to basic services	All basic services backlogs have been addressed earlier by the District Municipality and it is now pursuing alternative bulk water sources through desalination, as well as the development of a regional waste disposal site within the District.	Not measured or quantifiable
Output: Implementation of the Community Work Programme	Extensive public works programmes have been implemented by the district, especially in the field of environmental management.	District Municipality has not participated in CWP, only EPWP.
Output: Deepen democracy through a refined Ward Committee model	The local municipality IDP Ward has been strengthened and the municipal public participation process has been implemented and coordinated with provincial and local government at district level.	The District municipality does not have ward committees but participates in the local municipal public participation/ public meeting processes/ share with local municipalities their ward level and or public participation platforms

APPENDIX U – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on an agency basis)		
Services and locations	Scale of backlogs	Impact of backlogs
Clinics	Not applicable – District Municipality	Not applicable – District Municipality
Housing		
Licensing and Testing Centre		
Reservoir schools (primary and high)		
Sports fields		

APPENDIX V – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of loans and grants made by the Municipality				
All organisations or persons in receipt of loans*/grants* provided by the Municipality	Nature of project	Conditions attached to funding	Value Year 1 (R' 000)	Total amount committed over previous and future years
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
* Loans/grants whether in cash or in kind				

**APPENDIX W – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA
SECTION 71**

MFMA Section 71 returns not made during Year 1 according to reporting requirements	
Return	Reason return has not been properly made on due date



**THE AUDIT AND PERFORMANCE AUDIT
COMMITTEE ANNUAL REPORT TO COUNCIL**

30 JUNE 2019

2018/2019

1. INTRODUCTION

We are pleased to present our annual Audit and Performance Audit Committee Report for the year ending 30 June 2019.

2. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

Name of Member	Number of Meetings Attended
Mr. Jurie Van Dyk (Chairperson) – External	5 out of 5 meetings attended
Mr. Chris De Jager – External	5 out of 5 meetings attended
Mr. Graham Lawrence (Chairperson) – External	6 out of 6 meetings attended
Ds. Lysander Prins – External	6 out of 6 meetings attended
Ms. Reyhana Gani – External	2 out of 2 meetings attended
Ms Mariaan Roos – External	2 out of 2 meetings attended
Ms Sharon Jones – External	2 out of 2 meetings attended
Mr Mogamat-Ali Behardien – External	2 out of 2 meetings attended

During the financial year, 6 meetings were held. Ms Reyhana Gani term ended 30 September 2018 as well as Mr Jurie van Dyk (Chairperson) and Mr Chris De Jager on the 28 February 2019.

Subsequently the municipality advertised these 3 new positions and Council appointed the following members to the audit and performance audit committee on the 28 February 2019:

Ms Mariaan Roos

Ms Sharon Jones

Mr Mogamat-Ali Behardien

Mr Graham Lawrence was subsequently selected by the members of the committee to be the chairperson during the 18 April 2019 meeting.

Other attendees from time to time were:

- Municipal Manger
- Chief Financial Officer
- Chief Audit Executive
- Executive Mayor

3. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has adopted appropriate formal terms of reference in its Audit Committee Charter and has regulated its affairs in compliance with this Charter. The Charter is regularly updated and complies with principles of good governance and with the requirements of the Municipal Finance Management Act 53 of 2003. In the conduct of its duties, the Committee has to perform the following reviews:

- The quality and integrity of financial reporting process,
- System of internal control through internal audit reports,

- The organisation process for monitoring compliance with laws and regulations and code of conduct,
- Internal Audit functions,
- Performance Management,
- The risk management and government process.

REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

4.1 SYSTEM OF INTERNAL CONTROL

We have reviewed 13 reports presented to us by internal audit, on the adequacy and effectiveness of the municipality's internal control systems. In terms of these reports, there has been instances of non-compliance with prescribed policies, procedures and internal controls which were as follows:

- 1) Deficiencies were identified regarding accurate stock keeping of inventory.
- 2) Ongoing training not provided to appointed First Aiders.
- 3) Certain municipal buildings were not equipped with Fire Alarms due to budget constraints.
- 4) IT Restoration of back up tests not done frequently.
- 5) Performance management of supplier contracts not reported to Council.

The Audit Committee however wishes to highlight that management has taken the following action in mitigating the control weaknesses identified by the internal auditors in their reports:

- 1) Monthly stocktaking is performed to ensure accurate recording of inventory.
- 2) First Aiders and Safety Reps are trained within 3-6 months after appointment.
- 3) Budget was allocated to make provision for fire alarms where needed.
- 4) Restoration tests are done quarterly.
- 5) Supply Chain Management is preparing a new evaluation program. They are also in the process of reviewing all contracts for purposes of compliance with SCM regulations / legislation".

Action plans undertaken by management are monitored and reviewed on a regular basis.

4.2 THE EFFECTIVENESS OF THE INTERNAL AUDIT UNIT

We recommended approval to Council of the 2018/19 annual internal audit plan at our meeting on 21 June 2018. The Chief Audit Executive attended 6 of the 6 meetings during the financial year and provided the following information:

- Quarterly progress report against the audit plan, which also highlighted any changes to be affected ,
- All internal audit reports and findings for our scrutiny,
- Progress by management on implementing agreed actions plans that addresses issues raised,

For the financial year the internal audit unit completed 13 out of 16 audits that were planned.

Reasons for not completing all audits were as a result of:

- a) changes in their audit approach with respect to the DORA audit, by utilising procedures obtained from National Treasury Website, which resulted in them increasing their scope and time.

- b) Two medium rated risks as rated by management with regard to project management, were included in their scope based on the outcome of their preliminary risk assessment. This resulted in increased time spend to conclude the audit.
- c) A request from management to do monthly audits of key performance indicators that were met, well met and extremely well met. This resulted in increased time to finalise/complete these audits which had an effect on completing other planned audits. The results of these audits are then reported in Council Portfolio committees.

Furthermore, internal audit unit also completed four quarterly service delivery and budget implementation (SDBIP) performance reviews.

4.3 EVALUATION OF THE FINANCIAL STATEMENTS

The external auditor was the Office of the Auditor General. They prepared and submitted their audit strategy and scope of their audit, and was discussed on the 6 September 2018.

The Audit Committee has on the 13 August 2018 reviewed:

- The draft annual financial statements as required by legislation
- The appropriateness of accounting policies and practices as required by legislation

4.4 RISK MANAGEMENT AND GOVERNANCE PROCESSES

The appointed external service provider, Nexia SAB&T, at year end concluded the following:

- 1) Revising and amending the municipality's Risk Policy, Strategy & Implementation Plan which was circulated to the committee for recommendation before Council approval.
- 2) Conducting Fraud and Risk Committee Training
- 3) Performing Quarterly and annual risk assessments containing the Strategic and Operational Risk Registers and progress on the management of those risks to the Fraud and Risk Committee.
- 4) Updating and Maintaining the risk registers with the latest risks facing the municipality

4.5 PERFORMANCE MANAGEMENT

During the year under review the Committee had a complement of five members,

The Committee assessed four quarterly performance reports, as well the as the annual performance report, which were all audited by the internal audit.

4.6 GENERAL

I am very grateful for the cooperation of members and happy with the guidance and assistance the Municipal Manager and his staff. It is always a pleasure to attend meetings. I also want to record the commitment displayed by the internal audit division in ensure we are kept up to date with the changes within the municipality.



Graham Lawrence

Chairperson of the Audit and Performance Audit Committee



Annual Performance Report

1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalized through the legislative requirements of the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, indicates the objectives of local government and paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- ≈ the promotion of efficient, economic and effective use of resources,
- ≈ accountable public administration
- ≈ to be transparent by providing information,
- ≈ to be responsive to the needs of the community; and
- ≈ to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the service delivery budget implementation plan (SDBIP). The Mayor approved the Top Layer SDBIP for 2018/19 in terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), MFMA Circular No. 13 and the Budgeting and Reporting Regulation on 12 June 2018 which include the Municipality's key performance indicators for 2018/19.

1.1 Legislative requirements

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the Municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the Municipality for the following financial year and measures that were or are to be taken to improve performance.

1.2 Organisation performance

Strategic performance indicates how well the Municipality achieve its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must



Annual Performance Report

be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the performance of the Municipality as measured in the Top Layer SDBIP, in terms of its strategic objectives and National Key Performance Indicators prescribed in Section 43 of the MSA.

1.3 The performance system followed for the financial year 2018/19

a) *Adoption of a Performance Management Framework*

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the Regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The Municipality adopted a performance management framework that was approved by Council on 26 September 2009.

b) *The IDP and the budget*

The revised IDP and the budget for 2018/19 was approved by Council on 30 May 2018. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

c) *The SDBIP*

Strategic performance indicates how well the Municipality achieve its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council/senior management and provide an overall picture of performance for the Municipality, reflecting performance on its strategic priorities.

The SDBIP converts the budget into measurable indicators of how, where and when strategies, objectives and normal business process of the Municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

1.4 Actual Performance

This report highlights the performance of the Municipality as measured in the Top Layer SDBIP, in terms of its strategic objectives and National Key Performance Indicators prescribed in Section 43 of the MSA.



Annual Performance Report

The Municipality utilizes an electronic web-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ≈ The actual result in terms of the target set.
- ≈ A performance comment.
- ≈ Actions to improve the performance against the target set, if the target was not achieved.
- ≈ It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

Performance results are monitored and reviewed in terms of:

- ≈ Monthly reports tabled before the Portfolio Committees of the Mayor;
- ≈ Quarterly reports tabled before the Executive Mayoral Committee and Council; and
- ≈ Internal audit submitted their quarterly performance management audits to the Municipal Manager and the Performance Audit Committee during meetings held as required in terms of Regulation 14(1)(c) of the Municipal Planning and Performance Management Regulations of 2001 as follows:
 - ≈ Quarter 4 of 2017/2018 - 18 October 2018
 - ≈ Quarter 1 of 2018/2019 - 20 November 2018
 - ≈ Quarter 2 of 2018/2019 – 19 February 2019
 - ≈ Quarter 3 of 2018/2019 - 20 June 2019

1.5 Individual performance management

a) Municipal Manager and managers directly accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2018/19 financial year were signed during June 2018 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2017/18 financial year (1 January 2018 to 30 June 2018) took place on 15 October 2018 and the mid-year performance evaluation of 2018/19 (1 July 2018 to 31 December 2018) took place on 4 March 2019.

Annual Performance Report

1.6 SDBIP (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, budget and performance agreements)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the strategic objectives.

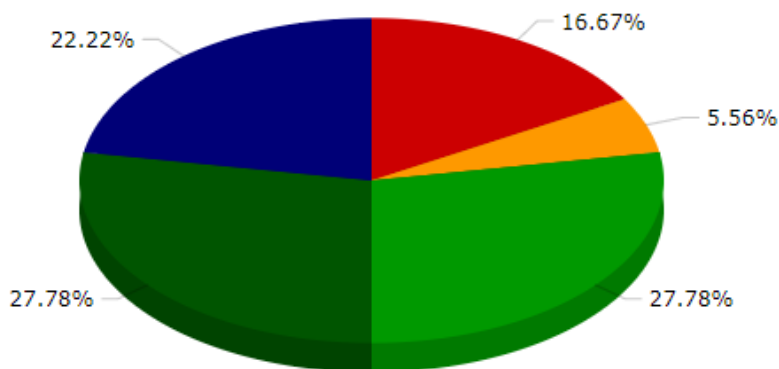
The following figure explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

Category	Color	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target < 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

Table 1.: SDBIP measurement categories

The graph below displays the overall performance per strategic objective for 2018/19:

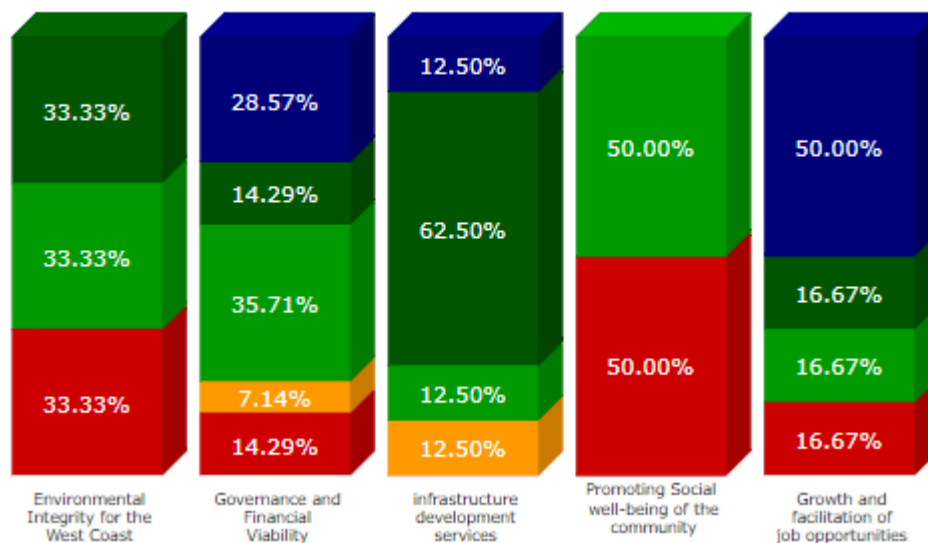
Overall Performance for 2018/19



KPI Not Met	6 (16.67%)
KPI Almost Met	2 (5.56%)
KPI Met	10 (27.78%)
KPI Well Met	10 (27.78%)
KPI Extremely Well Met	8 (22.22%)
Total:	36 (100%)

Annual Performance Report

Strategic Objective



	Ensuring Environmental Integrity for the West Coast	Ensuring Good Governance and Financial Viability	Promoting bulk infrastructure development services	Promoting Social well-being of the community	To pursue Economic Growth and facilitation of job opportunities
KPI Not Met	2 (33.33%)	2 (14.29%)	-	1 (50.00%)	1 (16.67%)
KPI Almost Met	-	1 (7.14%)	1 (12.50%)	-	-
KPI Met	2 (33.33%)	5 (35.71%)	1 (12.50%)	1 (50.00%)	1 (16.67%)
KPI Well Met	2 (33.33%)	2 (14.29%)	5 (62.50%)	-	1 (16.67%)
KPI Extremely Well Met	-	4 (28.57%)	1 (12.50%)	-	3 (50.00%)
Total:	6 (16.67%)	14 (38.89%)	8 (22.22%)	2 (5.56%)	6 (16.67%)

Graph 1.: Overall performance per strategic objective

a) Ensuring environmental integrity for the West Coast

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL2	Take quarterly samples of bacterial levels of potable water in towns, farms and communities within in the district during the 2018/19 financial year	Number of samples taken and monitored	800	1051	225	225	225	225	900	1,121	G2
TL3	Review a Climate Change Plan and submit to Council for approval by the end of May 2019	Plan submitted to Council for approval by the end of May 2019	1	KPI not achieved during 2017/18	0	0	0	1	1	1	G

Annual Performance Report

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL4	Review the Coastal Management Plan and submit to Council for approval by the end of May 2019	Plan submitted to Council for approval by the end of May 2019	New performance Indicator for 2018/19. No comparative audited results available.	New performance Indicator for 2018/19. No comparative audited results available.	0	0	0	1	1	0	R
Corrective action:		Extension was given to service provider until end of July 2019 to complete new plan, due to late start of review process.									
TL5	Review the Air Quality Management Plan and submit to Council for approval by the end of May 2019	Reviewed Air Quality Management Plan submitted to Council for approval by the end of May 2019	1	KPI not achieved during 2017/18	0	0	0	1	1	0	R
Corrective action:		Extension was given to service provider until end of July 2019 to complete new plan, due to late start of review process.									
TL6	Take quarterly samples in terms of Foodstuffs, Cosmetics and Disinfectants Act during the 2018/19 financial year	Number of samples taken and monitored	1080	882	225	225	225	225	900	900	G
TL7	Take quarterly samples regarding bacterial levels in final sewerage effluent during the 2018/19 financial year	Number of samples taken and monitored	210	259	75	50	50	75	250	258	G2

Table 2.: Top Layer SDBIP – Ensuring environmental integrity for the West Coast

b) Ensuring good governance and financial viability

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL8	Compile and submit the draft Annual Report for 2017/18 to Council by the end January 2019	Compile and submit the draft Annual Report by the end of January 2019	1	1	0	0	1	0	1	1	G

Annual Performance Report

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL11	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	45%	16.05%	0%	0%	0%	45%	45%	6.92%	B
TL12	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	3.80%	9.82	0%	0%	0%	3.80%	3.80%	3.79%	B
TL13	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	Number of months it takes to cover fixed operating expenditure with available cash	8.7	9.82	0	0	0	8.7	8.7	9.93	G2

Annual Performance Report

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL14	Number of people from employment equity target groups to be appointed by 30 June 2019 in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan	Number of people appointed in the three highest levels of management	0	0	0	0	0	0	0	0	N/A
TL15	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2019 ((Actual amount spent on training/total personnel budget)x100)	% of the municipality's personnel budget actually spent on implementing its workplace skills plan	1%	1.22%	0%	0%	0%	1%	1%	1.23%	G2
TL16	Review the risk management policy strategy with the implementation plan and submit to the risk committee by 31 May 2019	Reviewed risk management policy strategy with implementation plan submitted to risk committee	1	1	0	0	0	1	1	1	G
TL18	Limit the vacancy rate to less than 15% of budgeted posts by 30 June 2019 ((Number of budgeted posts filled/Number of budgeted posts on the organogram)x100)	% Vacancy rate	15%	9%	0%	15%	0%	15%	15%	9.48%	B
TL19	Compile the risk based audit plan for 2019/20 and submit to the Audit Committee for consideration by 30 June 2019	RBAP submitted to Audit Committee	1	1	0	0	0	1	1	1	G
TL20	Submit progress reports on the implementation of the RBAP for	Number of progress reports submitted	6	5	0	2	1	2	5	5	G

Annual Performance Report

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
	2018/19 to the Audit Committee during the 2018/19 financial year										
TL21	Co-ordinate the functioning of the audit committee during the 2018/19 financial year	Number of meetings coordinated	4	6	1	1	1	1	4	6	B
TL22	Perform quarterly risk assessments per the Risk Implementation Plan and submit report with amendments to the risk committee during the 2018/19 financial year	Number of risk assessments performed and report submitted to the risk committee	4	4	1	1	1	1	4	3	O
Corrective action:		A risk meeting did not take place during the first quarter to discuss the risk assessment, due to management's decision to replace the current members of the fraud & risk committee. The new committee members now includes the Municipal Manager, all the directors and an independent (external) chairperson which is in line with National treasury Risk Management Framework. This will ensure that in future risk assessments are discussed at the appropriate levels.									
TL23	Initiate the meeting of the district coordinating forum (Technical) during the 2018/19 financial year	Number of meetings initiated	4	4	1	1	1	1	4	4	G
TL27	Review the District Economic Development Strategy and submit to Council by 31 March 2019	District Economic Development Strategy reviewed and submitted to Council by 31 March 2019	1	1	0	0	1	0	1	0	R
Corrective action:		Review process not aligned to IDP review and is to be aligned to IDP process in new financial year.									
TL28	Review and update the organisational structure and submit to Council by 31 October 2018	Reviewed organisational structure submitted to Council by 31 October 2018	New performance Indicator for 2018/19. No comparative audited results available.	New performance Indicator for 2018/19. No comparative audited results available.	0	1	0	0	1	0	R
Corrective action:		Organisational structure review process to be aligned with internal structure schedules.									

Table 3.: Top Layer SDBIP – Ensuring good governance and financial viability

c) Promoting bulk infrastructure development services

Annual Performance Report

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL10	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2019 {(Actual (including commitments) amount spent on projects /Total amount budgeted for capital projects)X100}	% of capital budget spent	95%	86.73%	10%	35%	60%	95%	95%	90.36%	O
Corrective action:		Performance was due to savings brought about, therefore no corrective measure necessary.									
TL30	95% of the provincial roads conditional grant budget allocation spent by 30 June 2019 {(Total expenditure divided by the total approved budget) x 100}	% of the budget spent	95%	101.05%	20%	48%	65%	95%	95%	102%	G2
TL31	Grade 16 000 kilometers of road by 30 June 2019	Number of kilometers graded	16000	16793.64	3,000	7,000	12,000	16,000	16,000	18652.09 18672.20	G2
TL32	Re-gravel 38.84 kilometers of roads by 30 June 2019	Number of kilometers of road re-graveled	26.88	16.23	0	0	0	38.84	38.84	52.13	G2
TL33	Upgrade 9.28 kilometers of roads from gravel to bitumen surface by 30 June 2019	Number of kilometers of road upgraded from gravel to bitumen	6.45	5.67	0	0	0	9.28	9.28	10.01	G2
TL34	Reseal 25.24 kilometers of surfaced roads by 30 June 2019	Number of kilometers of road resealed	27.24	36.97	0	0	0	25.24	25.24	29.38	G2
TL35	Comply 100% with water quality parameters as per SANS 241 physical and micro parameters for West Coast Bulk Water Supply during the 2018/19 financial year	% compliance with the water quality parameters	100%	99%	100%	100%	100%	100%	100%	100%	G

Annual Performance Report

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL36	Limit average % water loss for last 12 months to less than 5% {(Number of Kiloliters Water Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purified _ 100}	% average water loss for last 12 months {(Number of Kiloliters Water Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purified _ 100}	7.5%	4.45%	5%	5%	5%	5%	5%	4.05%	B

Table 4.: Top Layer SDBIP – Promoting bulk infrastructure development services

d) Promoting the social well-being of the community

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL9	Review and submit the Disaster Management Plan to Council by the end of May 2019	Disaster Management Framework reviewed and submitted	1	1	0	0	0	1	1	1	G
TL17	Draft the annual consolidated operational plan for social development interventions in the district for 2019/20 and submit to MAYCO by 31 January 2019	Consolidated operational plan for social development interventions in the district drafted and submitted to MAYCO	1	1	0	0	1	0	1	0	R
Corrective action:		Submission to be aligned to internal structure scheduling.									

Table 5.: Top Layer SDBIP – Promoting the social well-being of the community

e) To pursue economic growth and facilitation of job opportunities

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
TL1	Create full time equivalent (FTE's) through expenditure with the EPWP job creation by 30 June 2019	Number of full time equivalent (FTE's) created by 30 June 2019	30	62.17	0	0	0	30	30	55.97	B
TL24	Host 8 sessions to promote skills development and support the Tourism SMME	Number of sessions hosted	8	8	0	4	0	4	8	16	B

Annual Performance Report

Ref	KPI	Unit of Measurement	2017/18		Target for 2018/19					Actual	
			Target	Actual	Q1	Q2	Q3	Q4	Annual		
	business sector by 30 June 2019										
TL25	Carry out 24 tourism promotional activities by 30 June 2019	Number of activities carried out	32	65	6	6	6	6	24	25	G2
TL26	Assist 12 Tourism BEE entrepreneurs with starting and growing businesses e.g. research, business plans and skills development by 30 June 2019	Number of Tourism BEE entrepreneurs assisted	12	11	3	3	3	3	12	12	G
TL29	Create temporary job opportunities with man days paid through projects by 30 June 2019	Number of man days paid	1200	7418	0	0	0	1,200	1,200	6,907	B
TL37	Update the SDF and submit to council by 31 March 2019	Updated SDF submitted to Council by 31 March 2019	New performance Indicator for 2018/19. No comparative audited results available.	New performance Indicator for 2018/19. No comparative audited results available.	0	0	1	0	1	0	R
Corrective action:		Project is in line with project work plan. The Amended SDF will serve before Council in October 2019.									

Table 6.: Top Layer SDBIP – To pursue economic growth and facilitation of job opportunities

2 COMPONENT E: ORGANISATIONAL PERFORMANCE SCORECARD

The main development and service delivery priorities for 2019/20 is the Municipality's Top Layer SDBIP for 2019/20 which are indicated per directorate in the table below:

Directorate	Strategic Objective	KPI	Unit of Measurement	Annual Target
Administration & Community Services	To pursue Economic Growth and facilitation of job opportunities	Create full time equivalent (FTE's) through expenditure with the EPWP job creation by 30 June 2020	Number of full time equivalent (FTE's) created by 30 June 2020	30



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Administration & Community Services	Ensuring Environmental Integrity for the West Coast	Take quarterly samples of bacterial levels of potable water in towns, farms and communities within in the district during the 2019/20 financial year	Number of samples taken and monitored	900
Administration & Community Services	Ensuring Environmental Integrity for the West Coast	Take quarterly samples in terms of Foodstuffs, Cosmetics and Disinfectants Act during the 2019/20 financial year	Number of samples taken and monitored	900
Administration & Community Services	Ensuring Environmental Integrity for the West Coast	Take quarterly samples regarding bacterial levels in final sewerage effluent during the 2019/20 financial year	Number of samples taken and monitored	250
Administration & Community Services	Ensuring Environmental Integrity for the West Coast	Review a Climate Change Plan and submit to Council for approval by the end of May	Plan submitted to Council for approval by the end of May	1
Administration & Community Services	Ensuring Environmental Integrity for the West Coast	Review the Coastal Management Plan and submit to Council for approval by the end of May	Plan submitted to Council for approval by the end of May	1
Administration & Community Services	Ensuring Environmental Integrity for the West Coast	Review the Air Quality Management Plan and submit to Council for approval by the end of May	Reviewed Air Quality Management Plan submitted to Council for approval by the end of May	1
Administration & Community Services	Promoting Social well-being of the community	Review and submit the Disaster Management Plan to Council by the end of May	Disaster Management Plan reviewed and submitted	1



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Administration & Community Services	Promoting bulk infrastructure development services	The percentage of the departmental capital budget actually spent on capital projects by 30 June 2020 $\{(Actual (including commitments) amount spent on projects / Total amount budgeted for capital projects) \times 100\}$	% of capital budget spent	95%
Financial Services	Promoting bulk infrastructure development services	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2020 $\{(Actual (including commitments) amount spent on projects / Total amount budgeted for capital projects) \times 100\}$	% of capital budget spent	95%
Financial Services	Ensuring Good Governance and Financial Viability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2020 $((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)$	% of debt coverage	45%
Financial Services	Ensuring Good Governance and Financial Viability	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 $((Total outstanding$	% of outstanding service debtors	3.80%



Annual Performance Report

		service debtors/ revenue received for services)X100)		
Financial Services	Ensuring Good Governance and Financial Viability	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	Number of months it takes to cover fix operating expenditure with available cash	8.7
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Percentage of people from employment equity target groups to be appointed by 30 June 2020 in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan	Percentage of people appointed in the three highest levels of management	60%
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2020 ((Actual amount spent on	% of the municipality's personnel budget actually spent on implementing its workplace skills plan	1%



Annual Performance Report

		training/total personnel budget)x100)		
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Review the risk management policy strategy with the implementation plan and submit to the risk committee by 31 May 2020	Reviewed risk management policy strategy with implementation plan submitted to risk committee	1
Office of the Municipal Manager	Promoting Social well-being of the community	Draft the annual consolidated operational plan for social development interventions in the district for 2020/21 and submit to MAYCO by 31 March 2020	Consolidated operational plan for social development interventions in the district drafted and submitted to MAYCO	1
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2020 ((Number of budgeted posts filled/Number of budgeted posts on the organogram)x100)	% Vacancy rate	10%
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Compile the risk based audit plan for 2020/21 and submit to the Audit Committee for consideration by 30 June 2020	RBAP submitted to Audit Committee	1
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Submit progress reports on the implementation of the RBAP for 2019/20 to the Audit Committee during the 2019/20 financial year	Number of progress reports submitted	5



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Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Co-ordinate the functioning of the audit committee during the 2019/20 financial year	Number of meetings coordinated	4
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Perform quarterly risk assessments per the Risk Implementation Plan and submit report with amendments to the risk committee during the 2019/20 financial year	Number of risk assessments performed and report submitted to the risk committee	4
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Initiate the meeting of the district coordinating forum (Technical) during the 2019/20 financial year	Number of meetings initiated	4
Office of the Municipal Manager	To pursue Economic Growth and facilitation of job opportunities	Host 10 sessions to promote skills development and support the Tourism SMME business sector by 30 June 2020	Number of sessions hosted	10
Office of the Municipal Manager	To pursue Economic Growth and facilitation of job opportunities	Carry out 18 tourism promotional activities by 30 June 2020	Number of activities carried out	18
Office of the Municipal Manager	To pursue Economic Growth and facilitation of job opportunities	Assist 8 Tourism BEE entrepreneurs with starting and growing businesses e.g. research, business plans and skills development by 30 June 2020	Number of Tourism BEE entrepreneurs assisted	8
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Review the District Economic Development Strategy and	District Economic Development Strategy reviewed and	1



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		submit to Council by 31 March 2020	submitted to Council by 31 March 2020	
Office of the Municipal Manager	Ensuring Good Governance and Financial Viability	Review and update the organisational structure and submit to Management by 30 November 2019 and Council by 31 March 2020	Reviewed organisational structure submitted to management by 30 November 2019 and to Council by 31 March 2020	2
Office of the Municipal Manager	Promoting bulk infrastructure development services	The percentage of the departmental capital budget actually spent on capital projects by 30 June 2020 $\{(Actual \text{ (including commitments) amount spent on projects / Total amount budgeted for capital projects}) \times 100\}$	% of capital budget spent	95%
Technical Services	Promoting bulk infrastructure development services	The percentage of the departmental capital budget actually spent on capital projects by 30 June 2020 $\{(Actual \text{ (including commitments) amount spent on projects / Total amount budgeted for capital projects}) \times 100\}$	% of capital budget spent	95%
Technical Services	Promoting bulk infrastructure development services	Grade 16 000 kilometers of road by 30 June 2020	Number of kilometers graded	16 000
Technical Services	Promoting bulk infrastructure development services	Re-gravel 44.00 kilometers of roads by 30 June 2020	Number of kilometers of road re-graveled	44.00



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Technical Services	Promoting infrastructure development services bulk	Upgrade 4 kilometers of roads from gravel to bitumen surface by 30 June 2020	Number of kilometers of road upgraded from gravel to bitumen	4
Technical Services	Promoting infrastructure development services bulk	Reseal 13.00 kilometers of surfaced roads by 30 June 2020	Number of kilometers of road resealed	13.00
Technical Services	Promoting infrastructure development services bulk	Comply 90% with water quality parameters as per SANS 241 physical and micro parameters for West Coast Bulk Water Supply during the 2019/20 financial year	% compliance with the water quality parameters	90%
Technical Services	Promoting infrastructure development services bulk	Limit average % water loss for last 12 months to less than 5% $\{(\text{Number of Kiloliters Water Purified} - \text{Number of Kiloliters Water Sold}) / \text{Number of Kiloliters Water Purified} \times 100\}$	% average water loss for last 12 months $\{(\text{Number of Kiloliters Water Purified} - \text{Number of Kiloliters Water Sold}) / \text{Number of Kiloliters Water Purified} \times 100\}$	5%
Technical Services	To pursue Economic Growth and facilitation of job opportunities	Create temporary job opportunities with man days paid through projects by 30 June	Number of man days paid	1200
Technical Services	Promoting infrastructure development services bulk	95% of the provincial roads conditional grant budget allocation spent by 30 June $\{(\text{Total expenditure divided by the total approved budget}) \times 100\}$	% of the budget spent	95%
Technical Services	To pursue Economic Growth and facilitation of job opportunities	Update the SDF and submit to council by 31 March 2020	Updated SDF submitted to Council by 31 March 2020	1



Annual Performance Report



**WEST COAST DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

General Information

Mayoral committee

Ald J H Cleophas (Executive Mayor)
Cllr R W Strydom (Deputy Executive Mayor)
Cllr R E Swarts (Speaker)
Cllr J A Engelbrecht
Ald F J Schippers
Ald B J Stanley
Cllr V D McQuire

Councillors

Cllr S A Gxabalashe
Cllr F Kamfer
Cllr G Stephens
Cllr J Alexander
Cllr J J Hoop
Cllr N M Ngobo
Cllr M Carosini
Cllr N S Qunta
Cllr R V Pretorius
Ald S I J Smit
Cllr J C Botha
Cllr E B Mankay
Ald E Nackerdien
Cllr M Schrader
Cllr S M Scholtz
Cllr B J Penxa
Cllr C H Papers
Ald E Plaatjies

Grading of local authority

Grade 4

Credit Rating

Long Term : A-
Short Term : A1-

Registered office

58 Long Street
Moorreesburg
7310

Postal address

P O Box 242
Moorreesburg
7310

Bankers

First National Bank
62001436014

Auditors

Auditor General of SA
Registered Auditors

Telephone

022 - 433 8400

Fax

086 692 6113

Accounting Officer

Mr D C Joubert

Chief Financial Officer (CFO)

Dr J C P Tesselaar

West Coast District Municipality
Annual Financial Statements for the year ended 30 June 2018

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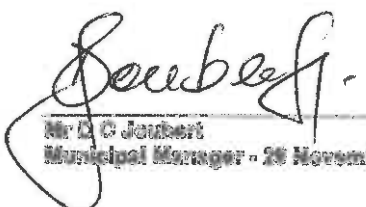
The reports and statements set out below comprises the annual financial statements presented to the provincial legislature:

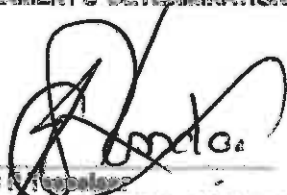
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ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I AM RESPONSIBLE FOR THE PREPARATION OF THESE ANNUAL FINANCIAL STATEMENTS, WHICH ARE SET OUT ON PAGES 3 TO 69, IN TERMS OF SECTION 126 (1) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, AND WHICH I HAVE SIGNED ON BEHALF OF THE MUNICIPALITY.

I CERTIFY THAT THE SALARIES, ALLOWANCES AND BENEFITS OF COUNCILLORS AS DISCLOSED IN NOTE 22 OF THESE ANNUAL FINANCIAL STATEMENTS ARE WITHIN THE UPPER LIMITS OF THE FRAMEWORK AS ENACTED IN SECTION 219 OF THE CONSTITUTION, READ WITH THE REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 26 OF 1998, AND THE MINISTER OF PROVINCIAL AND LOCAL GOVERNMENT'S DETERMINATION IN ACCORDANCE WITH THIS ACT.


Mr D C Joubert
Municipal Manager - 28 November 2018


Dr J C M. Maseko
Chief Financial Officer - 28 November 2018

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	2018 Restated
Assets			
Current Assets			
Cash and cash equivalents	6	306 612 607	269 808 077
Trade receivables from exchange transactions	5	11 720 717	8 377 991
Other receivables from exchange transactions	4	21 098 046	3 862 865
Inventories	3	7 684 114	7 030 453
Employee benefit - road receivable	15	1 295 557	1 439 222
Current portion of asset receivable - local municipalities	52	14 728 192	13 731 176
		363 139 233	304 249 784
Non-Current Assets			
Investment property	7	4 505 862	4 539 072
Property, plant and equipment	8	78 270 800	76 718 201
Intangible assets	9	2 721 842	3 729 480
Employee benefit - road receivable	15	18 965 822	21 728 046
Distribution receivable	50	-	7 043 651
Asset receivable - local municipalities	52	10 609 683	22 871 197
		115 074 009	136 629 647
Total Assets		478 213 242	440 879 431
Liabilities			
Current Liabilities			
Trade payables from exchange transactions	10	18 798 348	15 786 882
VAT payable	11	3 501 422	2 892 352
Unspent conditional grants and subsidies	12&20	1 291 586	1 418 560
Employee benefits	13	10 103 753	9 034 378
Current portion of long-term liabilities	14&28	14 728 192	13 731 176
		48 423 301	42 863 348
Non-Current Liabilities			
Medical aid benefits	15	66 074 747	65 140 904
Long service awards	16	7 739 359	8 004 167
Long-term liabilities	14	12 881 730	27 153 151
Distribution provision	50	28 114 580	-
		114 810 416	100 298 222
Total Liabilities		163 233 717	143 161 570
Net Assets		314 979 525	297 717 861
Accumulated surplus	17	314 979 525	297 717 861

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018 Restated
Revenue			
Revenue from exchange transactions			
Service concession revenue	18	80 294 718	92 371 124
Roads agency services	42	138 309 015	128 521 889
Other revenue	19	4 929 966	10 348 552
Fees earned	48	448 183	316 766
Resort income	7	4 252 735	3 643 288
Finance income	44	27 904 480	21 753 463
Total revenue from exchange transactions		256 137 097	256 955 082
Revenue from non-exchange transactions			
Other revenue	19	908 074	1 023 524
Actuarial gains recognised - employee benefits	15&43	6 470 442	2 902 225
Actuarial gains recognised - roads receivable	15&43	-	1 267 886
Government grants & subsidies	20	96 845 798	93 566 169
Gain on bad debt provision	5	-	18 991
Gain on disposal of assets	8	42 338	-
Total revenue from non-exchange transactions		104 266 652	98 778 796
Total revenue		360 403 749	355 733 877
Expenditure			
Employee related costs	21	(176 125 850)	(164 790 940)
Remuneration of councillors	22	(6 139 696)	(5 942 246)
Depreciation and amortisation	7&8&9	(8 754 952)	(11 760 378)
Finance costs	23	(3 663 215)	(5 474 312)
Materials and supplies	47	(40 488 471)	(37 259 483)
Allowance for impairment	45	(226 942)	(151 197)
Bulk purchases	24	(8 351 000)	(7 119 651)
Transfers and subsidies	49	(2 233 895)	(1 567 071)
General expenses	25	(92 557 876)	(90 534 985)
Total expenditure		(338 621 897)	(324 600 263)
Actuarial loss on employee benefits	16	-	(176 149)
Loss on the disposal of assets and liabilities	8	-	(230 491)
Actuarial loss on road receivable	15	(4 657 390)	-
(Deficit) surplus for the year		17 224 462	30 726 974

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Restated* Balance at 01 July 2017	280 370 488	280 370 488
Changes in net assets		
Correction of error (Refer to note 26)	(13 379 601)	(13 379 601)
(Deficit) surplus for the year	30 726 974	17 347 373
Restated* Balance at 01 July 2018	297 717 861	297 717 861
Changes in net assets		
Correction of error (Refer to note 26)	37 202	37 202
(Deficit) Surplus for the year	17 224 462	17 224 462
Balance at 30 June 2019	314 979 525	314 979 525

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Cash Flow Statement

Figures in Rand	Note(s)	2019	2018 Restated
Cash flows from operating activities			
Receipts			
Cash receipts from rate payers, government and other		195 544 776	236 242 805
Road services		123 859 995	130 665 935
Interest income		27 904 480	21 753 463
		<u>347 309 251</u>	<u>388 662 203</u>
Payments			
Employee costs		(176 736 593)	(169 072 548)
Suppliers		(107 805 203)	(153 693 320)
Finance costs		(3 663 215)	(5 474 312)
		<u>(288 205 011)</u>	<u>(328 240 180)</u>
Net cash flows from operating activities	27	<u>59 104 240</u>	<u>60 422 023</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(9 420 650)	(8 095 890)
Proceeds from sale of property, plant and equipment	8	200 713	61 170
Net cash flows from investing activities		<u>(9 219 937)</u>	<u>(8 034 720)</u>
Cash flows from financing activities			
Movement in long-term liabilities	14	(13 079 773)	(17 013 227)
Net increase/(decrease) in cash and cash equivalents		<u>36 804 530</u>	<u>35 374 076</u>
Cash and cash equivalents at the beginning of the year		269 808 077	234 434 001
Cash and cash equivalents at the end of the year	6	<u>306 612 607</u>	<u>269 808 077</u>

West Coast District Municipality

Description	2016/2017					2017/2018												
	Capital Budget	Budget	Final expenditure	Balance of funds	21st Council approved priority	Final Budget	Final Expenditure	Balance expenditure	Variance	Total funds as % of total Budget	as % of total Budget	as % of total Budget	as % of total Budget	as % of total Budget	as % of total Budget	as % of total Budget	as % of total Budget	as % of total Budget
Capital Budget	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
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Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
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Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
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Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
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Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
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Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
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Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
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Operating Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Capital Budget	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	3	

2017-2018

Keywords: *depression, anxiety, self-esteem, self-efficacy, coping strategies, social support*

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality. All financial information has been rounded to the nearest Rand.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Transfer of functions between entities not under common control

Definitions

An acquiree is the municipality and/or the functions that the acquirer obtains control of in a transfer of functions.

An acquirer is the municipality that obtains control of the acquiree or transferor.

Acquisition date is the date on which the acquirer obtains control of the acquiree.

Contingent consideration is usually, an obligation of the acquirer to transfer additional assets or a residual interest to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.

Control is the power to govern the financial and operating policies of another entity so as to obtain benefit from its activities.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

Non-controlling interest is the interest in the net assets of a controlled municipality not attributable, directly or indirectly, to a controlling municipality.

Owners (for the purposes of this Standard), is used broadly to include holders of residual interests.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

The acquisition method

The municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method.

Applying the acquisition method requires:

- (a) identifying the acquirer;
- (b) determining the acquisition date;
- (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) recognising the difference between (c) and the consideration transferred to the seller.

Identifying the acquirer

For each transfer of functions between entities not under common control, one of the combining entities is identified as the acquirer.

The terms and conditions of a transfer of functions undertaken between entities not under common control are set out in a binding arrangement.

Determining the acquirer includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the acquisition date

The acquirer identifies the acquisition date, which is the date on which it obtains control of the acquiree.

All relevant facts and circumstances are considered in identifying the transfer date.

Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree

Recognition principle

As of the acquisition date, the municipality as acquirer recognises, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

Recognition conditions:

To qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the acquisition date.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

In addition, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must be part of what the municipality as acquirer and the acquiree (or its former owners) agreed in the binding arrangement rather than the result of separate transactions.

Operating leases:

The municipality as acquirer recognises no assets or liabilities related to an operating lease in which the acquiree is the lessee.

The municipality as acquirer determines whether the terms of each operating lease in which the acquiree is the lessee are favourable or unfavourable. The municipality as acquirer recognises an intangible asset if the terms of an operating lease are favourable relative to market terms and a liability if the terms are unfavourable relative to market terms.

An identifiable intangible asset may be associated with an operating lease, which may be evidenced by market participants' willingness to pay a price for the lease even if it is at market terms.

Intangible assets:

The municipality as acquirer separately recognises the identifiable intangible assets acquired in a transfer of functions. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal right criterion.

Classifying or designating identifiable assets acquired and liabilities assumed in a transfer of functions:

At the acquisition date, the municipality as acquirer classifies or designates the identifiable assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequent to the acquisition date. The municipality as acquirer makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions as they exist at the acquisition date.

Measurement principle

The municipality as acquirer measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

Non-controlling interest in an acquiree:

For each transfer of functions, the municipality as acquirer measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either:

- fair value; or
- the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Assets with uncertain cash flows (valuation allowances):

The municipality as acquirer does not recognise a separate valuation allowance as of the acquisition date for assets acquired in a transfer of functions that are measured at their acquisition-date fair values because the effects of uncertainty about future cash flows are included in the fair value measure.

Assets subject to operating leases in which the acquiree is the lessor:

In measuring the acquisition-date fair value of an asset such as a building or a patent that is subject to an operating lease in which the acquiree is the lessor, the municipality as acquirer takes into account the terms of the lease.

Exceptions to the recognition principles

Contingent liabilities:

The requirements in the Standard of GRAP on Employee benefits, Contingent assets and Contingent liabilities do not apply in determining which contingent liabilities to recognise as of the acquisition date. Instead, the municipality as acquirer recognises as of the acquisition date a contingent liability assumed in a transfer of functions if it is a present obligation that arises from past events and its fair value can be measured reliably.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

Exceptions to both the recognition and measurement principles

Employee benefits:

The municipality as acquirer recognises and measures a liability (or asset, if any) related to the acquiree's employee benefit arrangements in accordance with the Standard of GRAP on Employee Benefits.

Indemnification assets:

The seller in a transfer of functions may contractually indemnify the municipality as acquirer for the outcome of a contingency or uncertainty related to all or part of a specific asset or liability. The municipality as acquirer recognises an indemnification asset at the same time that it recognises the indemnified item measured on the same basis as the indemnified item, subject to the need for a valuation allowance for uncollectible amounts. Therefore, if the indemnification relates to an asset or a liability that is recognised at the acquisition date and measured at its acquisition-date fair value, the municipality as acquirer recognises the indemnification asset at the acquisition date measured at its acquisition-date fair value. For an indemnification asset measured at fair value, the effects of uncertainty about future cash flows because of collectability considerations are included in the fair value measure and a separate valuation allowance is not necessary.

Exceptions to the measurement principle

Reacquired rights:

The municipality as acquirer measures the value of a reacquired right recognised as an intangible asset on the basis of the remaining contractual term of the related contract or other binding arrangement regardless of whether market participants would consider potential renewals of the contract or other binding arrangement in determining its fair value.

Assets held for sale:

The municipality as acquirer measures an acquired non-current asset (or disposal group) that is classified as held for sale at the acquisition date in accordance with the Standard of GRAP on Non-current assets held for sale and Discontinued operations at fair value less costs to sell.

Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred (if any)

The municipality as acquirer recognises the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. This difference is measured as the excess of (a) over (b) below:

(a) the aggregate of:

(i) the consideration transferred (if any) measured in accordance with this Standard, which generally requires acquisition-date fair value;

(ii) the amount of any non-controlling interest in the acquiree measured in accordance with this Standard; and

(iii) in a transfer of functions achieved in stages, the acquisition-date fair value of the entity as acquirer's previously held equity interest in the acquiree.

(b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this Standard.

Consideration transferred

The consideration transferred in a transfer of functions is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the municipality as acquirer, the liabilities incurred by the municipality as acquirer to former owners of the acquiree and the residual interests issued by the entity as acquirer.

Contingent consideration:

The consideration the municipality as acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The municipality as acquirer recognises the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

The municipality as acquirer classifies an obligation to pay contingent consideration as a liability or as net assets on the basis of the definitions of a residual interest and a financial liability in the Standard of GRAP on Financial Instruments, or other applicable Standard of GRAP. The municipality as acquirer classifies as an asset a right to the return of previously transferred consideration if specified conditions are met.

A transfer of functions achieved in stages

A municipality as acquirer sometimes obtains control of an acquiree in which it held a residual interest immediately before the acquisition date.

In a transfer of functions achieved in stages, the municipality as acquirer remeasures its previously held residual interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in surplus or deficit. In prior reporting periods, the municipality as acquirer may have recognised changes in the value of its residual interest in the acquiree in surplus or deficit. If so, the amount that was recognised in surplus or deficit is recognised on the same basis as would be required if the municipality as acquirer had disposed directly of the previously held residual interest.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the municipality as acquirer reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality as acquirer retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the municipality as acquirer also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the municipality as acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the acquisition date.

Determining what is part of the transfer of functions transaction

The municipality as acquirer and the acquiree may have a pre-existing relationship or other arrangement before or when negotiations for the transfer of functions began, or they may enter into a binding arrangement during the negotiations that is separate from the transfer of functions. In either situation, the municipality as acquirer identifies any amounts that are not part of what the municipality as acquirer and the acquiree (or its former owners) exchanged in the transfer of functions. The acquirer recognises as part of applying the acquisition method only the consideration transferred (if any) for the acquiree and the assets acquired and liabilities assumed by the municipality as acquirer in the transfer of functions as governed by the terms and conditions of the binding arrangement.

Effective settlement of a pre-existing relationship between the municipality as acquirer and acquiree in a transfer of functions

A pre-existing relationship between the municipality as acquirer and acquiree may be contractual or non-contractual.

If the transfer of functions in effect settles a pre-existing relationship, the municipality as acquirer recognises a gain or loss, measured as follows:

(a) for a pre-existing non-contractual relationship, fair value.

(b) for a pre-existing contractual relationship, the lesser of (i) and (ii):

(i) the amount by which the binding arrangement is favourable or unfavourable from the perspective of the municipality as acquirer when compared with terms for current market transactions for the same or similar items.

(ii) the amount of any stated settlement provisions in the binding arrangement available to the counterparty to whom the contract is unfavourable.

If (ii) is less than (i), the difference is included as part of the transfer of functions accounting. The amount of gain or loss recognised may depend in part on whether the municipality as acquirer had previously recognised a related asset or liability, and the reported gain or loss therefore may differ from the amount calculated by applying the above requirements.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

A pre-existing relationship may be a contract that the municipality as acquirer recognises as a reacquired right. If the binding arrangement includes terms that are favourable or unfavourable when compared with pricing for current market transactions for the same or similar items, the municipality as acquirer recognises, separately from the transfer of functions, a gain or loss for the effective settlement of the contract.

Acquisition-related costs:

Acquisition-related costs are costs the municipality as acquirer incurs to effect a transfer of functions. Those costs include advisory, legal, accounting, valuation and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities (if applicable). The municipality as acquirer accounts for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received, with one exception. The costs to issue debt or equity securities (if applicable) are recognised in accordance with the Standard of GRAP on Financial Instruments.

Subsequent measurement and accounting

In general, a municipality as acquirer subsequently measures and accounts for assets acquired, liabilities assumed or incurred and the residual interest issued in a transfer of functions in accordance with other applicable Standards of GRAP for those items, depending on their nature.

Reacquired rights

A reacquired right recognised as an intangible asset is amortised over the remaining contractual period of the contract in which the right was granted. A municipality as acquirer that subsequently sells a reacquired right to a third party includes the carrying amount of the intangible asset in determining the gain or loss on the sale.

Contingent liabilities

After initial recognition and until the liability is settled, cancelled or expires, the municipality as acquirer measures a contingent liability recognised in a transfer of functions at the higher of:

- (a) the amount that would be recognised in accordance with the Standard of GRAP on Employee benefits, Contingent liabilities and Contingent assets; and
- (b) the amount initially recognised less, if appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from exchange transactions.

Indemnification assets

At the end of each subsequent reporting period, the municipality as acquirer measures an indemnification asset that was recognised at the acquisition date on the same basis as the indemnified liability or asset, subject to any limitations as set in the binding arrangement on its amount and, for an indemnification asset that is not subsequently measured at its fair value, management's assessment of the collectability of the indemnification asset. The municipality as acquirer derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Contingent consideration

Some changes in the fair value of contingent consideration that the municipality as acquirer recognises after the acquisition date may be the result of additional information that the municipality as acquirer obtained after that date about facts and circumstances that existed at the acquisition date. However, changes resulting from events after the acquisition date, such as meeting a performance target, or reaching a milestone on a research and development project, are not measurement period adjustments. The municipality as acquirer accounts for changes in the fair value of contingent consideration that are not measurement period adjustments as follows:

- (a) Contingent consideration classified as net assets shall not be remeasured and its subsequent settlement is accounted for within net assets.
- (b) Contingent consideration classified as an asset or a liability that:
 - (i) is a financial instrument and is within the scope of the Standard of GRAP on Financial Instruments is measured at fair value, with any resulting gain or loss recognised in surplus or deficit in accordance with that Standard of GRAP.
 - (ii) is not within the scope of the Standard of GRAP on Financial Instruments is accounted for in accordance with the Standard of GRAP on Employee benefits, Contingent liabilities and Contingent assets or other Standards of GRAP as appropriate.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.4 Transfer of functions between entities under common control

Definitions

An acquirer is the municipality that obtains control of the acquiree or transferor.

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another municipality so as to benefit from its activities.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving a municipality's objectives, either by providing economic benefits or service potential.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another municipality.

A transferor is the municipality that relinquishes control of a function.

Common control - For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving a municipality's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole municipality. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:

- Input: Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it.
- Process: Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs.
- Output: The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.

Identifying the acquirer and transferor

For each transfer of functions between entities under common control an acquirer and transferor are identified. All relevant facts and circumstances are considered in identifying the acquirer and transferor.

The terms and conditions of a transfer of functions undertaken between entities under common control are set out in a binding arrangement. The binding arrangement governing the terms and conditions of a transfer of functions may identify which municipality to the transaction or event is the transferor(s) and which municipality is the acquirer. Where the binding arrangement does not clearly identify the acquirer or the transferor, the behaviour or actions of the entities may indicate which municipality is the acquirer and which municipality is the transferor.

Determining the acquirer includes a consideration of, amongst other things, which of the entities involved in the transfer of functions initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the transfer date

The acquirer and the transferor identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.

All relevant facts and circumstances are considered in identifying the transfer date.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.4 Transfer of functions between entities under common control (continued)

Assets acquired [transferred] and liabilities assumed [relinquished]

The recognition of assets and liabilities, is subject to the following conditions:

The assets acquired and the liabilities assumed are part of what had been agreed in terms of the binding arrangement (if applicable), rather than the result of separate transactions.

Determining what is part of the transfer of functions transaction

Where the municipality and the transferor have a pre-existing relationship before or when negotiations for a transfer of functions began, or where a binding arrangement is entered into during the negotiations that are separate from a transfer of functions, any amounts that are not part of what were transferred in a transfer of functions are identified. This policy only applies to the consideration transferred and the assets acquired and liabilities assumed in a transfer of functions as governed by the terms and conditions of the binding arrangement.

The following factors are considered, which are neither mutually exclusive nor individually conclusive, to determine whether a transaction is part of a transfer or function or whether the transaction is separate:

- the reasons for the transaction
- the timing of the transaction

Effective settlement of a pre-existing relationship between the entity (as acquirer) and transferor in a transfer of functions

A pre-existing relationship between the municipality (as acquirer) and the transferor may be contractual or non-contractual. If a transfer of functions in effect settles a pre-existing relationship, the entity (as acquirer) recognises a gain or loss, measured as follows:

- for a pre-existing non-contractual relationship, fair value.
- for a pre-existing contractual relationship, the lesser of the following:
 - the amount by which the binding arrangement is favourable or unfavourable from the perspective of the municipality (as acquirer) when compared with terms for current market transactions for the same or similar items.
 - the amount of any stated settlement provisions in the binding arrangement available to the counterparty to whom the contract is unfavourable.

If the latter is less, the difference is included as part of a transfer of functions accounting. The amount of gain or loss recognised may depend in part on whether the municipality (as acquirer) had previously recognised a related asset or liability, and the reported gain or loss therefore may differ from the amount calculated by applying the above requirements.

Other criteria for the entity (as acquirer)

The assets acquired and liabilities assumed that qualify for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the transfer date.

Costs that the municipality expects, but which it is not obliged to incur in the future to effect its plan to exit an activity of the transferor or to terminate the employment of, or relocate the transferor's employees, is not accounted for as part of the liabilities at the transfer date. The municipality does not recognise those costs as part of a transfer of functions. Instead, the municipality recognises these costs in its annual financial statements after the transfer has occurred, in accordance with the applicable Standards of GRAP.

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Accounting Policies

1.4 Transfer of functions between entities under common control (continued)

Accounting by the entity as acquirer

Initial recognition and measurement

As of the transfer date, the municipality recognises the purchase consideration paid to the transferor and all the assets acquired and liabilities assumed in a transfer of functions. The assets acquired and liabilities assumed are measured at their carrying amounts.

If, prior to the transfer of functions, the transferor was not applying the accrual basis of accounting, the transferor changes its basis of accounting to the accrual basis of accounting prior to the transfer.

The consideration paid by the municipality can be in the form of cash, cash equivalents or other assets. If the consideration paid is in the form of other assets, the municipality de-recognises such assets on the transfer date at their carrying amounts.

The difference between the carrying amounts of the assets acquired, the liabilities assumed and the consideration paid to the transferor, is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the municipality reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality retrospectively adjust the provisional amounts recognised at the transfer date to reflect new information obtained about facts and circumstances that existed as of the transfer date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the municipality receives the information it was seeking about facts and circumstances that existed as of the transfer date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the transfer date.

The municipality considers all relevant factors in determining whether information obtained after the transfer date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the transfer date.

The municipality recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit. However, new information obtained during the measurement period may sometimes result in an adjustment to the provisional amount of more than one asset or liability.

During the measurement period, the municipality recognises adjustments to the provisional amounts as if the accounting for the transfer of functions had been completed at the transfer date. Thus, the municipality revises comparative information for prior periods presented in annual financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the municipality revises the accounting for a transfer of functions only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Acquisition-related costs

Acquisition-related costs are costs that the municipality incurs to affect the transfer of functions. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities. The entity accounts for acquisition-related costs as expenses in the period in which the costs are incurred and the services are received, with the exception of the costs incurred to issue debt or equity securities, which are recognised in accordance with the Standard of GRAP on Financial Instruments.

Subsequent measurement

The municipality subsequently measure any assets acquired and any liabilities assumed in a transfer of functions in accordance with the applicable Standards of GRAP.

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Accounting Policies

1.4 Transfer of functions between entities under common control (continued)

At the transfer date, the municipality classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The municipality makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions that exist at the transfer date. An exception is that the municipality classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the transfer date):

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and
- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

Accounting by the entity as transferor

Derecognition of assets transferred and liabilities relinquished

As of the transfer date, the municipality derecognises from its annual financial statements, all the assets transferred and liabilities relinquished in a transfer of functions at their carrying amounts.

Until the transfer date, the municipality continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The consideration received from the acquirer can be in the form of cash, cash equivalents or other assets. If the consideration received is in the form of other assets, the municipality measures such assets at their fair value on the transfer date in accordance with the applicable Standard of GRAP. The difference between the carrying amounts of the assets transferred, the liabilities relinquished and the consideration received from the acquirer is recognised in accumulated surplus or deficit.

1.5 Mergers

Definitions

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Combined municipality is a new reporting entity formed from the combination of two or more entities.

Combining entities are the entities that are combined for the mutual sharing of risks and benefits in a merger.

Control is the power to govern the financial and operating policies of another municipality so as to benefit from its activities.

A merger is the establishment of a new combined municipality in which none of the former entities obtain control over any other and no acquirer can be identified.

Merger date is the date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined municipality.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another municipality.

A merger is the establishment of a new combined municipality in which none of the former entities obtains control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in a municipality having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.

Identifying the combined entity and combining entities

For each merger a combined municipality and combining entities is identified. All relevant facts and circumstances are considered in identifying the combined municipality and combining municipality.

The binding arrangement usually sets out which entities are to be combined as a result of the merger, and identifies the new reporting municipality after the merger.



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1.5 Mergers (continued)

Determining the merger date

The combined municipality and the combining entities identify the merger date, which is the date on which the new reporting municipality obtains control of the assets and liabilities and the combining entities loses control of their assets and liabilities.

All relevant facts and circumstances are considered in identifying the merger date.

Assets acquired [transferred] and liabilities assumed [derecognised]

The recognition of assets and liabilities by the entity as combined entity are subject to the following conditions:

The assets and liabilities that qualify for recognition in a merger are part of what had been agreed in terms of the binding arrangement, rather than the result of separate transactions.

Other criteria for the entity (as the combined entity)

The assets and liabilities that qualify for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the merger date.

Costs that the entity expects but which the municipality is not obliged to incur in the future to effect its plan to exit an activity of the combining entities or to terminate the employment of, or relocate the combining entities' employees, is not be accounted for as part of the liabilities at the merger date. The entity does not recognise those costs as part of a merger. Instead, the municipality recognises these costs in its annual financial statements after the merger has occurred, in accordance with the applicable Standards of GRAP.

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1.5 Mergers (continued)

Accounting by the entity as the combined entity

Initial recognition and measurement

As of the merger date, the municipality recognises all the assets acquired and liabilities assumed. The assets acquired and liabilities assumed are measured at their carrying amounts.

If, prior to the merger, a combining municipality was not applying the accrual basis of accounting, that combining municipality changes its basis of accounting to the accrual basis of accounting prior to the merger.

The difference between the carrying amounts of the assets acquired and the liabilities assumed is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a merger is incomplete by the end of the reporting period in which the merger occurs, the municipality reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality retrospectively adjust the provisional amounts recognised at the merger date to reflect new information obtained about facts and circumstances that existed as of the merger date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the municipality receives the information it was seeking about facts and circumstances that existed as of the merger date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the merger date.

The municipality considers all relevant factors in determining whether information obtained after the merger date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the merger date. Relevant factors include the date when additional information is obtained and whether the municipality can identify a reason for a change to provisional amounts.

The municipality recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit.

During the measurement period, the municipality recognises adjustments to the provisional amounts as if the accounting for the merger had been completed at the merger date. Thus, the municipality revises comparative information for prior periods presented in annual financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the municipality revises the accounting for a merger only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Expenditure incurred in relation to the merger

Expenditures incurred in relation to the merger are costs that the entity incurs to effect the merger. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, costs to furnish information to owners of the combining entities, and salaries and other expenses related to services of employees involved in achieving the merger. It also includes costs or losses incurred in combining the assets and liabilities of the combining entities. The municipality accounts for such expenditure as expenses in the period in which the costs are incurred.

Subsequent measurement

The municipality subsequently measures any assets acquired and any liabilities assumed in a merger in accordance with the applicable Standards of GRAP.

At the merger date, the municipality classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The municipality makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, the operating or accounting policies and other relevant conditions as these exist at the merger date. An exception is that the municipality classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the merger date):

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and

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Accounting Policies

1.5 Mergers (continued)

- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

The annual financial statements of the municipality are prepared using uniform accounting policies for similar transactions and other events or similar circumstances.

Accounting by entity as the combining entity

Assets transferred and liabilities de-recognised

As of the merger date, the municipality as the combining entity transfer and de-recognise from its annual financial statements, all the assets and liabilities de-recognised at their carrying amounts.

Until the merger date, the municipality continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The difference between the carrying amounts of the assets transferred and the liabilities de-recognised are recognised in accumulated surplus or deficit.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - beach development	25 to 50 years
Land	Infinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

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1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance and are expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment under construction - This cost includes all expenditure related directly to specific projects still in progress at period end. Incomplete construction work is stated at historical cost.

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1.7 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	25 to 30
Other Structures (Infrastructure)	Straight line	0 to 100
Other	Straight line	2 to 30

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.



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1.8 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Intangible assets	Straight line	0 - 20 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an municipality's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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1.9 Financial Instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another municipality; or
- a contractual right to:
 - receive cash or another financial asset from another municipality; or
 - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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1.9 Financial Instruments (continued)

A residual interest is any contract that manifests an interest in the assets of an municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an municipality.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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1.9 Financial Instruments (continued)

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other trade receivables from non-exchange transactions	Financial asset measured at fair value
Cash and cash equivalents	Financial asset measured at fair value
Trade receivables from exchange transactions	Financial asset measured at fair value

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at fair value
Unspent conditional grants and receipts	Financial liability measured at fair value
Long-term liabilities	Financial liability measured at amortised cost

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributed to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are initially recognised at fair value plus transaction cost that directly attributed to the acquisition and subsequently stated at amortised cost, less provision for impairment. This provision is based on a review of all outstanding amounts at year end and is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms. The amount of the provision is the effective interest rate. Bad debts are written off during the year in which they are identified. Subsequent recoveries of amounts previously written off are credited against the relevant revenue stream in the statement of financial performance.

Long-term financial liabilities are classified as financial liabilities that are measured at amortised cost.

Cash and cash equivalents includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions and are subject to an insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents comprises of cash on hand, deposits held on call with banks, investments in financial instruments and net bank overdrafts. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.



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1.9 Financial Instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.



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1.9 Financial Instruments (continued)

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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1.9 Financial Instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.



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1.9 Financial Instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the municipality directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.10 Value added tax

The municipality accounts for Value Added Tax (VAT) on a cash basis. The municipality is liable to account for VAT at the standard rate (15%) in terms of section 7 (1) (a) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero - rated in terms of section 11, exempted in terms of section 12 of the VAT Act or out of scope for VAT purposes. The timing of payments to / from the South African Revenue Service is on the twenty fifth day of each of the twelve months of the financial year.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

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Accounting Policies

1.11 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the 8.5%.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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Accounting Policies

1.12 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water inventory represents water housed in dams within the municipal area and is measured at the lower of cost, which is deemed to be fair value, and net realisable value. In the absence of a market that trades in water outside of local government the fair value utilised to quantify water inventory is based on the unit reference value. The unit reference value is determined by a formula that is utilised in the engineering department to calculate the development cost of new water resources.

The water levels in the dams are based on cubic meter capacity taking into account the capacity of the dam, based on land surveying reports and the curve of the dam. Readings of water levels are taken at year-end, which is quantified at the above fair value. Water and purified effluent are measured at the lower of purified cost and net realisable value insofar as it is stored and controlled in reservoirs at year-end.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. An asset that generates a commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Recognition and measurement (Individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.13 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of Impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.



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1.14 Impairment of non-cash-generating assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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1.15 Employee benefits

Employee benefits are all forms of consideration given by an municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.



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1.15 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by an municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The municipality account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

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1.15 Employee benefits (continued)

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.



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1.15 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs. An actuarial valuation was performed and a liability was determined as a result of the valuation. The actuarial valuation will be revised on an annual basis.

Other post retirement obligations

The municipality provides post-retirement health care benefits, upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.



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1.15 Employee benefits (continued)

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.16 Provisions

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.



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1.16 Provisions (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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1.17 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to distribution of water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption based on the consumption history, are made on a monthly basis when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approval tariff to each property receiving services. Tariffs are determined per category of property and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to sewerage and sanitation services are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council. Revenue is recognised on a monthly basis.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Rental income from operating leases is recognised on a straight line basis over the lease term.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant services is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Commission for agency services is recognised as per the service level agreement with the municipality. The percentage calculated during a financial year are based on the total funds received from the agent.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.



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1.18 Revenue from non-exchange transactions (continued)

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Revenue from rates, including collection charges and penalty interest, is recognised on a monthly basis when the taxes are levied as this is regarded to be the date when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and there has been compliance with the relevant legal requirements.

Revenue from donations is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and any restrictions associated with the donation have been met.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legal procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from unconditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably. Since these grants are unconditional and there are no attached stipulations, the grants are recognised as revenue or, if the recognition criteria has been met, as assets in the reporting period in which they are received or receivable.

Revenue from conditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.



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1.18 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood these discounts or reductions being taken up by debtors.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

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1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the municipality, and the costs can be measured reliably. The municipality applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the municipality. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.21 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11 (3) of the Municipal Finance Management Act (Act No 56 of 2003), and includes:

- overspending of the total amount appropriated in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

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1.22 Fruitless and wasteful expenditure (continued)

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessment of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is defined as 1% of the total operating expenditure. The materiality is from management's perspective and does not correlate with the auditor's materiality.

1.25 Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability :

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because;
- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- the amount of the obligation cannot be measured with sufficient reliability.



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West Coast District Municipality

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Accounting Policies

1.26 Capital commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised capital commitments, which are disclosed in note 33.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed if both the following criteria are met:

- contracts are non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts related to something other than the routine, steady, state business of the municipality - therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.27 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. Explanations of significant variances greater than ten percent or five hundred thousand Rand versus the budget are given in appendix A.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.29 Service concession arrangements

Operator

The District Municipality as an operator in the service concession arrangement recognises revenue and expenditure in relation to the service concession arrangement in accordance with its accounting policies on revenue and expenditure recognition and with reference to the contract with the grantor.

In terms of the service concession arrangement the following types of revenue are recognised:

- Recognised and measurement of the arrangement consideration.
- Construction and upgrade services.
- Operating services.

The District does not recognise the assets relating to the service concession arrangement as these are recognised in the accounting records of the grantor.

The District Municipality shall recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The District Municipality shall recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.



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Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.30 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus / deficit. Prior year adjustments relating to income and expenditure, are debited / credited against accumulated surplus when retrospective adjustments are made.

1.31 Critical accounting estimates and judgements

The provisions represents management's best estimate of the municipality's exposure. The probability that an outflow of economic resources will be required to settle the obligation must be assessed and a reliable estimate must be made of the amount of the obligation. Actual results may, however, differ from these estimates.

Management has made estimates of the selling price and direct cost to sell of certain inventory items to calculate the allowance to write down to the lower of cost or net realisable value. The write down is zero.

The present value of the post retirement obligation depends on a number of factors that are determined on a actuarial basis using a number of assumptions, which include the discount rate. Any changes in these assumptions will impact in the carrying amount of post retirement obligation.

The estimation of useful lives of assets is based on management's judgement. Any material adjustments to the estimated remaining useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

Where impairment indicators exist, the determination of the recoverable amount of assets or cash generating units require management to make assumptions to determine the fair value less cost to sell. Key assumptions on which management has based its determination of fair values less costs to sell include projected revenues, earnings multiple, capital expenditure and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of the impairment.

Where impairment indicators exist, the determination of the recoverable service amount of a non-cash generating asset requires management to make assumptions to determine the fair value less cost to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating assets.

An estimate for the impairment of receivables is made when collection of the full amount is no longer probable. The provision for doubtful debt is calculated on trade receivables only, i.e. service debtors, housing rentals and other debtors. The total impairment provision of the municipality is calculated per risk category.

1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.



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West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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2. New standards and Interpretations

2.1 Standards and Interpretations Issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods:

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent International developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the amendment is not yet set by the standard setters.

The municipality expects to adopt the amendment for the first time when the standard setters sets the effective date for the amendment.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

Guideline: Guideline on Accounting for Landfill Sites

The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The effective date of the guideline is not yet set by the Minister of Finance.

The municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

The impact of this standard is currently being assessed.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Guideline: Guideline on the Application of Materiality to Financial Statements

The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The effective date of the guideline is not yet set by the Minister of Finance.

The municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

The municipality is unable to reliably estimate the impact of the standard on the annual financial statements.

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

A municipality applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2020.

The municipality has adopted the interpretation for the first time in the 2020/2021 annual financial statements.

The impact of the amendment is not material.

GRAP 34: Separate Financial Statements



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Notes to the Annual Financial Statements

2. New standards and Interpretations (continued)

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 36: Investments In Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

Notes to the Annual Financial Statements

2. New standards and Interpretations (continued)

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020

The municipality expects to adopt the standard for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 110 (as amended 2016): Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The subsequent amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

Notes to the Annual Financial Statements

2. New standards and Interpretations (continued)

IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue

The amendments to this Interpretation of the Standard of GRAP clarifies that the entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

A municipality applies judgement based on past experience and current facts and circumstances.

The effective date of the amendment is for years beginning on or after 01 April 2020.

The municipality expects to adopt the interpretation for the first time in the 2020/2021 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

Guideline: Accounting for Arrangements Undertaken I.t.o the National Housing Programme

The objective of this guideline: Entities in the public sector are frequently involved in the construction of houses as part of government's housing policy, implemented through the national housing programme, which is aimed at developing sustainable human settlements. The Housing Act, Act No. 107 of 1997 provides information about the housing programmes that fall within the scope of the national housing programme. Concerns were raised by preparers about the inconsistent accounting applied to housing arrangements undertaken by entities under the national housing programme. Different accounting may be appropriate where there are differences between the terms and conditions of arrangements concluded by entities. However, under housing arrangements that are undertaken in terms of the national housing programme, there are common features and issues that need to be considered. As a result, the Board agreed to develop high-level guidance for arrangements undertaken in terms of the national housing programme.

It covers: Background to arrangements undertaken in terms of the national housing programme, Transactions that affect the accounting of housing arrangements, Consider whether the municipality undertakes transactions with third parties on behalf of another party, Accounting by municipalities appointed as project manager, Disclosure requirements, Accounting by municipalities appointed as project developer, Accounting for the accreditation fee, commission, administration or transaction fee received, Land and infrastructure, Conclusion and Application of this Guideline to existing arrangements.

The effective date of the guideline is for years beginning on or after 01 April 2019.

The municipality expects to adopt the guideline for the first time in the 2019/2020 annual financial statements.

It is unlikely that the guideline will have a material impact on the municipality's annual financial statements.

GRAP 18 (as amended 2016): Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

2. New standards and Interpretations (continued)

The subsequent amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2019

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

West Coast District Municipality

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Notes to the Annual Financial Statements

2. New standards and Interpretations (continued)

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2019..

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

Notes to the Annual Financial Statements

2. New standards and Interpretations (continued)

The impact of this standard is currently being assessed.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the interpretation is for the years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019/2020 annual financial statements.

The impact of this interpretation is currently being assessed.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019/2020 annual financial statements.

The impact of this interpretation is currently being assessed.

IGRAP 19: Liabilities to Pay Levies

This Interpretation of the Standards of GRAP provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

West Coast District Municipality

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Notes to the Annual Financial Statements

2. New standards and Interpretations (continued)

To clarify the accounting for a liability to pay a levy, this Interpretation of the Standards of GRAP addresses the following issues:

- What is the obligating event that gives rise to the recognition of a liability to pay a levy?
- Does economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will be triggered by operating in that future period?
- Does the going concern assumption imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period?
- Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?
- What is the obligating event that gives rise to the recognition of a liability to pay a levy that is triggered if a minimum threshold is reached?

Consensus reached in this Interpretation:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period;
- The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period;
- The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time;
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the accounting for the liability that arises from that obligation shall be consistent with the principles established in this Interpretation of the Standards of GRAP; and
- An entity shall recognise an asset, in accordance with the relevant Standard of GRAP, if it has prepaid a levy but does not yet have a present obligation to pay that levy.

The effective date of the interpretation is for the years beginning on or after 01 April 2019

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

3. Inventories

Consumable Inventory
Water Stock

4 867 727	4 701 925
2 816 387	2 328 528
7 684 114	7 030 453

Inventory pledged as security

No inventory was pledged as security.

No inventory was written-down during the period.

The amount of inventory recognised as an expense is R4 197 442 (2018 : R5 371 814).

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4. Other receivables from exchange transactions		
Water : Sales	4 115 235	3 164 983
Operating Leases - refer to note 36	281 948	252 957
Other	481 317	610 555
Road receivable	14 449 020	-
Advance payment - Salga levies paid for 2019/20	1 811 796	-
Net Balance (Allowance for Impairment)	(1 270)	(165 630)
	21 098 046	3 862 865
Reconciliation of allowance for impairment		
Other receivables from non-exchange transactions	(1 270)	(165 630)
5. Trade receivables from exchange transactions		
Gross balances		
Electricity	112 630	90 078
Water	11 678 466	8 152 446
Sewerage	19 369	16 145
Other	3 413	-
Housing rental	118 385	123 908
	11 932 263	8 382 577

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5. Trade receivables from exchange transactions (continued)		
Less : Allowance for impairment	(211 545)	(4 586)
Net balance		
Electricity	112 630	90 078
Water	11 678 465	8 152 446
Sewerage	19 369	16 145
Other	3 413	-
Housing rental	118 385	123 908
Net balance (Allowance for impairment)	(211 545)	(4 586)
	11 720 717	8 377 991
Reconciliation of allowance for impairment (including other receivables from exchange transactions)		
Balance at the beginning of the year	(170 216)	(37 568)
Contribution to provision	(226 942)	(151 196)
Debt impairment written off against provision	184 343	18 548
	(212 815)	(170 216)
Reconciliation of allowance for impairment between trade and other receivables		
Trade receivables from exchange transactions	(211 545)	(4 586)
Other receivables from exchange transactions	(1 270)	(165 630)
	(212 815)	(170 216)
Age analysis per service (net of allowance for impairment) Service Debtors (Water, Electricity, Sewerage and Other)		
Current (0-30 days)	11 473 382	7 976 366
30-60 days	284 926	241 444
61-90 days	53 752	29 488
91-120 days	1 119	3 072
121-365 days	699	8 299
	11 813 878	8 258 669
Housing Rental		
Current (0-30 days)	82 509	82 256
30-60 days	24 577	26 342
61-90 days	10 349	15 310
91-120 days	949	-
	118 384	123 908
Summary of debtors age analysis (Trade receivables)		
Current (0-30 days)	11 555 892	8 058 622
31-60 days	309 503	267 786
61-90 days	64 101	44 798
91-120 days	2 067	3 072
121-365 days	699	8 299
>365 days	-	-
Less : Allowance for impairment	(211 545)	(4 586)
	11 720 717	8 377 991

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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash book balances	306 612 157	269 807 627
Floats	450	450
Total cash and cash equivalents	306 612 607	269 808 077

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2019	30 June 2018	30 June 2017	30 June 2019	30 June 2018	30 June 2017
First National Bank - Current Account	249 103 839	251 008 415	224 719 532	249 117 997	251 008 414	224 719 532
First National Bank - Current Account	57 497 679	18 800 415	9 763 612	57 494 160	18 799 213	9 714 019
Floats	450	450	450	450	450	450
Total	306 601 968	269 809 280	234 483 594	306 612 607	269 808 077	234 434 001

Average rate of return on short-term investments	7.78%	8.02%
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Cash and cash equivalents includes cash-on-hand and cash in bank. No cash and cash equivalents were pledged as security for financial liabilities or any restriction were placed on any cash and cash equivalents. Call deposits are investments with a maturity period between one to six months. The fair value of the cash and cash equivalents was determined after considering the terms and conditions of the agreement entered into between the municipality and the financial institution. Management is of the opinion that the cash and cash equivalents recorded at amortised cost in the financial statements approximate their fair values.

7. Investment property

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	5 508 050	(1 002 188)	4 505 862	5 508 050	(968 978)	4 539 072

Pledged as security

No properties were pledged as security in the current and prior financial period nor restrictions.

Fair value of investment property - Buildings	13 677 360	13 677 360
Fair value of investment property - Land	25 500 000	25 500 000

The municipality owns a beach development (Ganzekraal). The property is 2332.6578 hectares and the municipality receives rental income (camping fees). A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Please refer to appendix B of Property, plant and equipment, Intangible and Investment property for detailed disclosures.

Resort income from investment property was R4 252 735 (2018:R3 643 288) as disclosed in the Statement of Financial Performance. Please refer to note 46 for the investment property repairs and maintenance disclosure.

West Coast District Municipality

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8. Property, plant and equipment

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	27 781 447	-	27 781 447	26 760 390	-	26 760 390
Buildings	50 564 072	(25 221 658)	25 342 414	49 854 652	(22 805 507)	27 049 145
Infrastructure	1 760 616	(243 781)	1 516 835	1 760 616	(147 932)	1 612 684
Other	73 153 823	(49 523 719)	23 630 104	67 726 994	(46 431 012)	21 295 982
Total	153 259 958	(74 989 158)	78 270 800	146 102 652	(69 384 451)	76 718 201

Pledged as security

No properties were pledged as security in the current and prior financial period.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Please refer to appendix B of Property, plant and equipment, Intangibles and Investment property for detailed disclosure. The amount disclosed as work in process (WIP) relates to the Coastal Management Plan and the Spatial Development Plan. These plans was not approved by Council at the reporting date.

9. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible assets	11 373 779	(8 651 937)	2 721 842	15 506 026	(11 776 546)	3 729 480

Pledged as security

No assets have been pledged as security in the current and prior financial period.

Other Information

The municipality acquired Intangible assets with finite useful lives of five years. The straight-line method of amortisation will be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. Please refer to appendix B of Property, plant and equipment, Intangibles and Investment property for detailed disclosure.

10. Trade payables from exchange transactions

Sundry creditors	1 786 200	1 758 237
Payments received in advance - contract in process	555 691	568 531
Accrued leave pay	9 826 626	8 941 973
Retentions	97 220	97 220
Trade payables	6 513 500	2 263 065
Operating lease payables - refer to note 36	19 111	13 812
Roads payable	-	2 144 044
	18 798 348	15 786 882

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11. VAT payable		
VAT 201 return as at 30 June	314 074	75 879
VAT Output payable from debtors	3 187 348	2 816 473
	3 501 422	2 892 352

VAT is payable on the payment basis. Only once payment are received from debtors VAT is paid to SARS.

12. Unspent conditional grants and receipts

See note 20 for detailed reconciliation of grants.

These amounts are invested and ring-fenced within the municipality's cash and cash equivalents until utilised.

Unspent conditional grants and receipts comprises of :

Western Cape Financial Management Grant (IDP & Internship)	-	370 342
Mayor's Charity Fund	51 764	-
Rural Roads Management	317 182	346 257
WOSA - Western Cape	800 000	-
Financial Management Spatial Development	122 640	600 000
Capacity Building Health Services	-	101 961
	1 291 586	1 418 560

13. Employee Benefits

Reconciliation of short-term portion of employee benefits - 2019

	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of medical aid benefits	3 289 453	3 626 081	(3 289 453)	3 626 081
Short-term portion of long service awards	944 648	1 088 385	(944 648)	1 088 385
Short-term portion of performance bonus	252 980	600 402	(252 980)	600 402
Short-term portion of bonus	4 547 297	4 788 885	(4 547 297)	4 788 885
	9 034 378	10 103 753	(9 034 378)	10 103 753

Reconciliation of short-term portion of employee benefits - 2018

	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of medical aid benefits	3 435 329	3 289 453	(3 435 329)	3 289 453
Short-term portion of long service awards	946 643	845 800	(847 795)	944 648
Short-term portion of performance bonus	126 934	252 980	(126 934)	252 980
Short-term portion of bonus	4 216 185	4 606 033	(4 274 921)	4 547 297
	8 725 081	8 994 266	(8 684 979)	9 034 378

The performance bonus represents management's best estimate of the municipality's liability under performance contracts of Sec 57 employees.

The bonus represents management's best estimate of the municipality's liability to pay employees thirteenth cheque.

Refer to disclosure note 16 (long service awards) and note 15 (medical aid benefits) for detail disclosure.

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14. Long-term liabilities

Local registered stock loans	27 609 922	40 884 327
Less : Current portion transferred to current liabilities	(14 728 192)	(13 731 176)
	12 881 730	27 153 151

The municipality has a unsecured external loan at the Development Bank of South Africa at a fixed rate of 8.60500%. The redeemable date of the loan is 31 October 2022. The loan is redeemed on a half-yearly basis. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Services Department.

The municipality has a unsecured external loan at the Development Bank of South Africa at a fixed rate of 6.75% and 13.38%. The redeemable date of the loan is 30 June 2020. The loan is redeemed on a half-yearly basis. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Services Department.

The municipality has a unsecured external loan at ABSA of South Africa at a fixed rate of 10.87%. The redeemable date of the loan is 31 January 2021. The loan is redeemed on a half-yearly basis as at 31 January and 31 July. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Services Department.

Refer to appendix E (1) for more detail on long term liabilities. The liabilities relates to the water service concession arrangement.

15. Medical aid benefits

Defined benefit plan

The most recent actuarial valuation of the present value of the obligation were carried out at 30 June 2019 by One Pangaea Expertise & Solutions.

Defined benefit plan	69 700 828	68 430 357
Change in liability		
Opening balance	65 140 904	62 476 909
Service costs	2 785 669	2 158 660
Interest cost	7 266 276	6 063 618
Recognised actuarial (gain) loss	(5 776 014)	(2 902 225)
Benefits paid	(3 005 460)	(2 801 934)
Current portion transferred to current liabilities	(336 628)	145 876
	66 074 747	65 140 904
Net expenses recognised in the statement of financial performance		
Current service cost	2 785 669	2 158 660
Interest cost	7 266 276	6 063 618
Actuarial (gain) loss	(5 776 014)	(2 902 225)
Total included in employee related costs	4 275 931	5 320 053
Changes in the short-term portion - refer to note 13		
Opening balance	3 289 453	3 435 329
Contributions / (refund) by / (to) employer	336 628	(145 876)
	3 626 081	3 289 453



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15. Medical aid benefits (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10,35 %	10,88 %
Expected rate of return on assets	6,25 %	7,13 %
Expected rate of return on reimbursement rights	7,75 %	8,63 %
Actual return on reimbursement rights	2,41 %	2,07 %

It is the relative levels of the discount rate and health care cost inflation to one another that are important, rather than the nominal values. The assumption regarding the relative levels of these two rates is our expectation of the long-term average.

The methodology of setting the financial assumptions has been updated to be more duration specific. At the previous date, 30 June 2018 the duration of liabilities was 13.38 years. At this duration the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 27 June 2019 is 10.35% per annum, and the yield on the inflation linked bonds of a similar term was about 3.39% per annum, implying an underlying expectation of inflation of 6.25% per annum $([1+10.35\% - 0.5\%] / [1+3.39\%] - 1)$.

A healthcare cost inflation rate of 7.75% was assumed. This is 1.5% in excess of the expected inflation over the expected term of the liability, consistent with the previous actuary.

However, it is the relative levels of the discount rate and healthcare inflation to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 2.41% per annum $([1+10.35\%] / [1+7.75\%] - 1)$.

The demographic and decrement assumptions were consistent in the previous and current valuation period, and are as follows:

	Active employees	Pensioners
Normal retirement age	65	-
Fully accrued age (to take account for ill-health and early retirement decrements)	63	-
Employment age used for past service period	Actual service ages	Actual service ages
Age difference between spouses	5 years	Actual ages used
Proportion married	90% assumed married at retirement	Actual marital status
Mortality	SA-90 (Normal)	PA (90)

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15. Medical aid benefits (continued)

The withdrawal rates assumption used are as follows:

Age	Withdrawal rates (Male)	Withdrawal rates (Female)
20	18%	24%
25	12%	18%
30	10%	15%
35	8%	10%
40	6%	6%
45	4%	4%
50	2%	2%
55	1%	1%
60+	-	-

Continuation Percentages

The assumption is that the continuation of the post-employment health care subsidy would be at 100% of active employees, or their surviving dependants.

Employee benefit - roads receivable (Medical aid)

In terms of the memorandum of agreement between the Western Cape Provincial Government, Department of Public Works and Transport, and past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. The future claim for roads staff for post employment medical aid has therefore been recognised as a long-term debtor.

Employee benefits - roads receivable (Medical aid)

Opening balance	23 167 268	20 558 333
Current service cost	748 418	652 259
Interest cost	2 442 305	1 885 186
Expected benefits paid	(1 439 222)	(1 196 396)
Actuarial (loss) / gain	(4 657 390)	1 267 886
	20 261 379	23 167 268

Statement of Financial Position

Employee benefits - roads receivable (current assets)	1 295 557	1 439 222
Employee benefits - roads receivable (non-current assets)	18 965 822	21 728 046
	20 261 379	23 167 268



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16. Long-term portion of long service awards		
Long service awards		
Provision of long service awards	8 827 745	8 948 814
Less : Transferred to current provision	(1 088 386)	(944 647)
Net long service awards liability	7 739 359	8 004 167

A long service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality. The provision represents an estimation of the awards to which employees in the service of the municipality at 30 June 2019 become entitled to in future, based on a actuarial valuation performed at that date.

An actuarial valuation of the present value of the obligation at 30 June 2019 was done by One Pangaea Expertise & Solutions.

The future service cost for ensuring year is established to be R642 892 whereas the interest-cost for the next year is estimated to be R697 475.

The principal assumption used for the purposes of the actuarial valuations were as follows :

- Discounted rate - 8.42%
- General salary inflation (long-term) - 5.58%
- Net effective discount rate - 2.69%
- Mortality - SA85-90
- Normal retirement age - 65

2019 - Details of employees eligible for long service awards are detailed below

	Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)
All employees	494	42	10

2019 - Details of employees eligible for long service awards are detailed below

	Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)	Total
All employees	494	42	10	546

The amount recognised in the Statement of Financial Position are as follows :

Present value of fund obligations	8 827 745	8 948 814
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The amount recognised in the Statement of Financial Performance are as follows :

Current service costs	659 480	730 274
Interest costs	765 427	662 806
Actuarial (gain) / loss on the obligation	(694 428)	176 149
	730 479	1 569 229

The movement in the long service awards liability over the year is as follows :

Balance at the beginning of the year	8 948 814	8 227 380
Current service costs	659 480	730 274
Interest costs	765 427	662 806
Benefits paid	(851 548)	(847 795)
Actuarial (gain) / loss on the obligation	(694 428)	176 149
	8 827 745	8 948 814

The average past services cost has increased by 1% due to the effect of an increase in the average salary and an increase in the average past service, being mostly offset by the effect of an increase in the net discount rate.

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16. Long-term portion of long service awards (continued)

The total liability has decreased by R121 069 due to the above, combined with the fact that there are 13 less eligible employees than at the last valuation.

Changes in withdrawal rate - The effect of a 1% movement in the withdrawal rates will be as follow :

Employer's accrued liability

	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
Salary increase rate	8 256 990	8 827 745	9 461 241
Discount rate	9 449 815	8 827 745	8 276 046
	17 706 805	17 655 490	17 737 287

Employer's expense cost

	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
Salary increase rate	1 244 648	1 340 367	1 447 291
Discount rate	1 356 319	1 340 367	1 325 171
	2 600 967	2 680 734	2 772 462

17. Accumulated surplus

Balance as at 1 July	297 717 861	280 370 488
Correction of error - Refer to note 26	37 202	(13 379 601)
(Deficit) Surplus for the year	17 224 462	30 726 974
	314 979 525	297 717 861

18. Service concession revenue

Management fee	6 467 171	7 999 194
Sale of electricity	921 835	746 920
Sale of water	107 904 061	83 483 034
Surplus distribution	(35 158 231)	-
Sewerage and sanitation charges	159 882	141 976
	80 294 718	92 371 124

The management fee is recovered through the tariff in terms of the agreement.

The surplus distribution is due to the local municipalities. Refer to note 50.



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19. Other revenue

The amount included in other revenue arising from non-exchanges of goods or services are as follows:

Interest on debtors	50 730	96 203
Other income	830 777	527 542
Insurance refunds	26 567	399 779
	908 074	1 023 524

The amount included in other revenue arising from exchange transactions is as follows:

Rent	2 187 291	2 184 905
Water services	570 371	447 302
Water service concession - extinguishment of debt (capital portion)	1 815 296	-
Distribution receivable - water service concession	-	7 043 651
Fire services (WCDM)	357 008	639 887
Fire services (Saldanha)	-	32 827
	4 929 966	10 348 562

20. Unspent conditional grants and subsidies

The following grants and subsidies were received and recognised :



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20. Unspent conditional grants and subsidies (continued)		
Western Cape Financial Management Grant (Risk and MSCOA)	280 000	422 164
Local Government Graduate Internship Grant	205 322	81 586
Western Cape Financial Management Grant (IDP)	597 021	692 458
Western Cape Financial Management Grant (Internship)	-	168 769
RSC Levy Replacement Grant (Equitable Share)	72 197 000	70 061 000
Equitable Share	16 208 000	14 911 000
Finance Management / Spatial Development	477 360	-
Financial Management Grant	1 000 000	1 250 000
EPWP	1 047 000	1 100 000
Donations Mayor	-	222 818
Greenest Municipality Competition	-	75 275
Capacity Building Health Services	101 960	162 040
Western Cape Provincial Emergency Grant	450 000	-
Rural Roads Management	2 240 818	2 206 743
Working for Water	-	1 009 836
Fire Services Capacity Building Grant	1 483 000	1 450 000
Other Government Grants and Subsidies : Less VAT on administration charges	558 317	(247 500)
	96 845 798	93 566 169

20.1) Local Government Graduate Internship Grant

Balance unspent at the beginning of the year	133 322	92 888
Current year receipts	72 000	122 000
Current year interest	-	-
Conditions met - transferred to revenue	(205 322)	(81 566)
Conditions still to be met - transferred to liabilities	-	133 322

Strategic objective - Good governance and financial viability.

The purpose of the grant is to assist the graduate Internship programme within the West Coast District.

20.2) Financial Management Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 000 000	1 250 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 000 000)	(1 250 000)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Good governance and financial viability

The purpose of the grant was to support the training of municipal officials in financial management, the appointment of interns and the acquisition, upgrade and maintenance of financial management systems.

20.3) Western Cape Financial Management Grant (Risk and MSCOA)

Balance unspent at the beginning of the year	-	142 164
Current year receipts	280 000	280 000
Current year interest	-	-
Conditions met - transferred to revenue	(280 000)	(422 164)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Good governance and financial viability.

The purpose of the grant is to provide shared risk management services within the West Coast District area.

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20. Unspent conditional grants and subsidies (continued)

20.4) Donations Mayor

Balance unspent at the beginning of the year	-	10 617
Current year receipts	-	212 200
Current year interest	-	-
Conditions met - transferred to revenue	-	(222 817)
Conditions still to be met - transferred to liabilities	-	-

20.5) EPWP Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 047 000	1 100 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 047 000)	(1 100 000)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Environmental Integrity.

The purpose of the grant was for community safety, sustainable land-based livelihoods, development and maintenance of buildings, health, roads and stormwater system development and maintenance and other social sector projects.

20.6) Working for Water

Balance unspent at the beginning of the year	-	139 673
Current year receipts	-	870 163
Current year interest	-	-
Conditions met - transferred to revenue	-	(1 009 836)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Environmental Integrity.

The purpose of the grant was to clean-up water sensitive areas within the West Coast District.

20.7) Western Cape Financial Management Grant (IDP and Internship)

Balance unspent at the beginning of the year	237 020	858 247
Current year receipts	360 000	240 000
Current year interest	-	-
Conditions met - transferred to revenue	(597 020)	(861 227)
Conditions still to be met - transferred to liabilities	-	237 020

Strategic objective - Good governance and financial viability.

The purpose of the grant is to support the internship programme as well as strategic services within the West Coast District area.

20.8) Capacity Building Health Services

Balance unspent at the beginning of the year	101 960	-
Current year receipts	-	264 000
Current year interest	-	-
Conditions met - transferred to revenue	(101 960)	(162 040)
Conditions still to be met - transferred to liabilities	-	101 960

Strategic objective - Environmental Integrity.

The purpose of the grant is to build capacity of the health services officials within the West Coast District area.

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20. Unspent conditional grants and subsidies (continued)

20.9) Rural Roads Management

Balance unspent at the beginning of the year	346 257	443 720
Current year receipts	2 558 000	2 553 000
Current year interest	-	-
Conditions met - transferred to revenue	(2 240 818)	(2 206 743)
Transfer to National Treasury	(346 257)	(443 720)
Conditions still to be met - transferred to liabilities	317 182	346 257

Strategic objective - Environmental Integrity.

The purpose of this grant is to develop a rural roads management plan within the West Coast District.

20.10) Greenest Municipality Competition

Balance unspent at the beginning of the year	-	25 275
Current year receipts	-	50 000
Current year interest	-	-
Conditions met - transferred to revenue	-	(75 275)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Essential bulk services.

This was used to buy computer equipment within the Corporate and Community services department.

20.11) Fire Services Capacity Building Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 483 000	1 450 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 483 000)	(1 450 000)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Social well - being.

The purpose of the grant is to build infrastructure capacity within the municipality's fire department.

20.12) Finance Management Spacial Development

Balance unspent at the beginning of the year	600 000	-
Current year receipts	-	600 000
Current year interest	-	-
Conditions met - transferred to revenue	(477 360)	-
Conditions still to be met - transferred to liabilities	122 640	600 000

Strategic objective - Good governance and financial viability.

The purpose of the grant is to assist with spacial development within the West Coast District.

20.13) WOSA : Western Cape Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	800 000	-
Current year interest	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	800 000	-

Strategic objective - Social well - being

The purpose of the grant is to safety planning within the communities.



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20. Unspent conditional grants and subsidies (continued)		
20.14) Western Cape Provincial Emergency Grant		
Balance unspent at the beginning of the year	-	-
Current year receipts	450 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(450 000)	-
Conditions still to be met - transferred to liabilities	-	-
 Strategic objective - Essential bulk services		
The purpose of the grant is to provide solid waste management services within the West Coast District.		
20.15) Mayor's Charity Fund		
Balance unspent at the beginning of the year	-	-
Current year receipts	311 200	-
Current year interest	-	-
Conditions met - transferred to revenue	(259 436)	-
Conditions still to be met - transferred to liabilities	51 764	-
 Unspent conditional grants and subsidies		
PAWC and State funds : Various projects (see note 12)	1 291 586	1 418 560

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21. Employee related costs		
Employee related costs - Salaries and wages	102 009 391	96 564 479
Employee related costs - Contributions for UIF, pensions and medical aids	25 579 272	24 290 190
Bonus paid	6 368 133	5 537 273
Bonus paid - Roads	2 647 834	2 465 925
Travel, motor car, accommodation, subsistence and other allowances	10 408 183	10 152 195
Other payroll levies	2 172 381	2 049 533
Overtime payments	8 799 382	8 006 867
Contributions to employee benefits	9 847 988	8 275 309
Leave accrual	1 778 622	1 177 707
Special allowances	5 234 472	4 933 334
Housing benefits and allowances	1 280 192	1 338 128
	176 125 850	164 790 940

Remuneration of municipal manager (This expense forms part of employee related costs)

Annual Remuneration	1 207 449	1 047 663
Car Allowance	120 000	121 490
Performance Bonuses	218 914	106 675
Contributions to UIF, Medical and Pension Funds	38 175	32 706
Telephone allowance	20 184	15 138
Other	105	74
	1 604 827	1 323 746

Remuneration of chief finance officer (This expense forms part of employee related costs)

Annual Remuneration	1 198 687	935 211
Car Allowance	72 000	22 397
Performance Bonuses	43 535	90 128
Contributions to UIF, Medical and Pension Funds	1 934	122 330
Telephone allowance	20 184	16 820
Other	105	57
	1 336 445	1 186 943

Remuneration of individual executive directors - Technical services (This expense forms part of employee related costs)

Annual Remuneration	1 100 345	1 047 962
Car Allowance	120 000	120 000
Performance Bonuses	67 721	28 018
Contributions to UIF, Medical and Pension Funds	52 131	49 091
Telephone allowance	20 184	20 184
Other	102	99
	1 360 483	1 265 354

Remuneration of individual executive directors - Corporate and Community services (This expense forms part of employee related costs)

Annual Remuneration	985 812	932 676
Car Allowance	120 000	120 000
Performance Bonuses	202 337	90 745
Contributions to UIF, Medical and Pension Funds	166 660	156 996
Telephone allowance	20 184	20 184
Other	105	99
	1 495 098	1 320 900



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22. Remuneration of councillors

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee members are full-time Councillors. Each is provided with an office and secretarial support at the cost of the municipality.

The Executive Mayor has the use of a council owned vehicle for official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisage in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Executive Mayor	903 870	870 814
Deputy Executive Mayor	731 975	705 529
Mayoral Committee Members	1 525 950	1 371 486
Speaker	725 831	705 529
Councillors and Secretarial support	2 033 215	2 131 338
Councillors pension contribution	218 855	157 550
	6 139 696	5 942 246

23. Finance costs

Long-term liabilities	3 663 215	5 474 312
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24. Bulk purchases

Water	8 351 000	7 119 651
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25. General expenses		
Advertising	258 722	445 244
Assessment rates & municipal charges	18 849 880	18 182 251
Auditors remuneration	3 029 845	3 152 296
Study - rural roads	2 112 918	2 122 789
Computer expenses	3 045 023	2 250 379
Consulting and professional fees	2 915 518	2 463 374
Insurance	871 904	977 434
Rental offices	666 263	635 076
Water demand management	397 835	44 643
Lease rental on operating lease	330 571	353 785
Contribution to free municipal services	-	691 085
Fuel and oil	17 011 947	14 991 666
Printing and stationary	155 689	198 779
Security (Guarding of municipal property)	554 652	488 883
Subscriptions and membership fees	12 455	70 107
Telephone and fax	1 838 218	1 589 765
Transport and freight	44 353	92 642
Training	868 984	525 737
Travel - local (subsistence allowance)	3 190 985	3 570 081
Water and milk samples	8 718	53 386
Uniforms	1 230 513	2 230 699
Exhibitions	270 804	257 862
Professional services (Water services)	1 192 590	2 003 677
Bore waterhole drill	102 318	374 630
Infrastructure and planning - civil and land	7 947 899	8 910 978
Maintenance of buildings and equipment	5 169 447	4 305 287
Hire charges	4 809 933	4 121 888
Workmen's compensation	1 406 340	1 189 663
Skills development levies	1 471 106	1 389 323
Security services	697 510	1 159 945
Traffic and street lights	982 278	145 473
Fire services	840 699	1 167 997
SALGA levies	1 732 174	1 506 747
Signage	428 371	595 911
Air pollution	369 510	107 935
Other operating expenses	7 741 904	8 167 588
	92 557 876	90 534 985

26. Prior period errors

The correction of errors resulted in adjustments as follows:

	Adjustment
General expenses - Refund of training expense.	15 500
PAYE refund from SARS related to the 2016 financial year. This was corrected in the Statement of Changes in Net Assets for 30 June 2019	32 794
Rounding of accounts due to the transfer of concession assets. This was corrected in the Statement of Changes in Net Assets of 30 June 2019.	4 411
Correction of stale payments six months and older.	330
Correction of the provision for creditors not made in the 2018 financial year.	(139 148)
Correction of the distribution payable - water service concession 2018.	21 356 864
Correction of the management fee within the water service concession 2018.	(9 328 506)
Correction of the distribution receivable - water service concession 2018.	7 043 651
Reduction of asset receivable - Local municipalities water service concession	(13 379 601)
Correction of management fee transferred to revenue - water service concession 2018	7 999 194
	13 605 489



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26. Prior period errors (continued)

Statement of Financial Performance

	Balance before adjustment	Adjustment	Balance after adjustment
General expenses	(111 768 531)	21 233 547	(90 534 984)
Service concession revenue	93 700 436	(1 329 312)	92 371 124
Other revenue from exchange transactions	3 304 901	7 043 651	10 348 552
Bulk purchases	24 132 877	(17 013 227)	7 119 650
Depreciation and amortisation	8 126 753	3 633 625	11 760 378
	17 496 436	13 568 284	31 064 720

Statement of Financial Position

	Balance before adjustment	Adjustment	Balance after adjustment
Trade payables from exchange transactions	(16 299 467)	(138 818)	(16 438 285)
Other receivables from exchange transactions	3 847 365	15 500	3 862 865
Distribution payable - water service concession	(21 356 864)	21 356 864	-
Distribution receivable - water service concession	-	7 043 651	7 043 651
VAT payable	(1 563 040)	(1 329 312)	(2 892 352)
Intangible assets	40 331 853	(36 602 373)	3 729 480
Current portion of asset receivable - local municipalities	-	13 731 176	13 731 176
Asset receivable - local municipalities	-	22 871 197	22 871 197
	4 959 847	26 947 885	31 907 732

Accumulated surplus

	Balance before adjustment	Adjustment	Balance after adjustment
Balance as at 30 June	284 149 577	13 568 284	297 717 861

Fire services revenue was reclassified to other revenue from exchange transactions.

30 June 2018

	Balance before adjustment	Reclassified	Balance after adjustment
Other revenue from exchange transactions	9 708 665	639 867	10 348 552
Service concession revenue	94 340 303	(639 867)	93 700 436
	104 048 968	-	104 048 968

27. Cash generated from operations

Surplus	17 224 462	30 726 974
Adjustments for:		
Depreciation and amortisation	8 754 952	11 760 379
Loss on property, plant and equipment	-	571 531
Roads receivable - Employee benefits	2 905 889	(2 608 935)
Correction of error - Refer to note 26	32 794	-
Donated assets - Other assets	-	(9 749)
Capital redemption - Concession arrangement	11 264 476	-
Gain on property, plant and equipment	(42 335)	-
Changes in working capital:		
Inventories	(653 661)	805 447
Trade receivables from exchange transactions	(3 342 727)	(4 384 782)
Other receivables from exchange transactions	(10 191 530)	24 062 328
Trade payables from exchange transactions	30 931 414	(5 892 398)
VAT	609 070	1 415 680
Long service awards	(126 974)	(294 025)
Employee benefits	1 738 410	4 269 573
	59 104 240	60 422 023



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28. Utilisation of Long-term liabilities reconciliation		
Long-term liabilities (See note 14)	27 609 922	40 884 327
Used to finance property, plant and equipment	(27 609 922)	(40 884 327)
Cash set aside for the repayment of long-term liabilities	14 728 192	13 731 176
	14 728 192	13 731 176

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

29. Unauthorised expenditure

Opening balance as previously reported	-	-
Correction of prior period error	-	-
Opening balance as restated	-	-
Add: Unauthorised Expenditure - current	-	-
Add: Unauthorised Expenditure - prior period	-	-
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	-	-

30. Fruitless and wasteful expenditure

Opening balance as previously reported	37 195	-
Correction of prior period error	-	-
Opening balance as restated	37 195	-
Add: Fruitless and wasteful Expenditure - current	21 513	40 780
Add: Fruitless and wasteful Expenditure - prior period	-	-
Less: Amounts recoverable - current	(11 446)	(3 585)
Less: Amounts recoverable - prior period	(3 219)	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	44 043	37 195

30 June 2019 and 2018

The municipality identified four incidents of fruitless and wasteful expenditure in this financial year. Reasonable steps were taken by management to address the control deficiency and the responsible official/s and were held accountable for any loss incurred by the municipality.

Incident 1 - An employee was admitted to the Toevlug Rehabilitation Centre in Worcester but did not complete the rehabilitation.	12 894	-
Incident 2 - It was determined that VAT was duplicate on a payment related to contract WDM06/2017.	8 619	-
Incident 2 - An investigation indicated that an official was negligent in two accidents with a awring at the Moorreesburg and Vergelee maintenance campsite Vredenburg. The sanction was that the official will be held accountable for the costs incurred by the municipality.	-	2 377
Incident 3 - An investigation indicated that an official was negligent in a accident on the N7 between the Algeria junction and Clanwilliam involving a private vehicle. The sanction was that the official will be held accountable for the costs incurred by the municipality.	-	35 095
Incident 4 - An official resigned with insufficient leave to recover all outstanding costs owed to the municipality.	-	3 308
	21 513	40 780



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31. Irregular expenditure		
Opening balance as previously reported	1 964 715	233 883
Correction of prior period error	-	-
Less: Amounts written-off	1 964 715	233 883
Add: Irregular Expenditure - current	3 650 211	1 242 892
Add: Irregular Expenditure - prior period	524	814 338
Less: Amounts recoverable - current	(77 043)	(92 515)
Less: Amounts recoverable - prior period	-	-
Less: Amount written off - current	(74 831)	(233 883)
Less: Amount written off - prior period	(1 067 373)	-
Closing balance	4 396 203	1 964 715

30 June 2019 and 2018

Incident 1 - The municipality excludes the procurement of legal services in terms of its Supply Chain Management Policy paragraph 2 (3) (c), Section 110 of the Municipal Finance Management Act (MFMA) only excludes procurement of goods and services from an organ of state which means the exclusion of legal services was in contravention of the Act. R252 511 relates to the current year and R814 338 relates to prior years.	74 831	1 066 849
Incident 2 - A payment for a contract exceeded the approved amount.	524	-
Incident 3 - The incorrect interpretation of disbursement of salaries, allowances and benefits to councillors as stipulated in the Government Notice : Nr R313, Gazette nr. 40793, dated 3 April 2017. The total remuneration package of respective councillors was exceeded.	-	339 495
Incident 4 - No CIDB registration for construction work done as per paragraph 25 (1) of the Construction Industry Development Regulations 2004.	68 780	-
Incident 5 - The Supply Chain Management Regulation, paragraph 29 (ii) states that a bid adjudication committee must consist of at least one senior supply chain management practitioner who is an official of the municipality or municipal entity. The Supply Chain Management practitioner was not present in a bid adjudication meeting dated 21 November 2018.	235 935	-
Incident 6 - The Supply Chain Management Regulation, paragraph 36 states that the accounting officer may dispense with the official procurement process in certain circumstances. The reason provided by management for this deviation was found to be invalid.	1 871 612	-
Incident 8 - The Supply Chain Management Regulation, paragraph 36 states that the accounting officer may dispense with the official procurement process in certain circumstances. The reason provided by management for this deviation was found to be invalid.	368 642	-
Incident 9 - The Supply Chain Management Regulation, paragraph 32 states that the accounting officer may procure goods or services under a contract secured by another organ of state. The municipality did not comply to this regulation and the legal interpretation, effectively meaning that the accounting officer of the original contracting organ of state is willing to forfeit a portion of its contract, in terms of contract value and quantity that has not already been utilised, to the accounting officer who is requesting to procure under that contract.	1 030 411	650 886
	3 650 736	2 057 230

32. Additional disclosure in terms of Municipal Finance Management Act

32.1) Contributions to organised local government

Opening balance	-	-
Current year subscription / fee	1 733 427	1 506 747
Amount paid - current year	(1 733 427)	(1 506 747)
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	-	-

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32. Additional disclosure in terms of Municipal Finance Management Act (continued)		
32.2) Audit fees		
Opening balance	-	-
Current year subscription / fee	3 029 845	3 152 296
Amount paid - current year	(3 029 845)	(3 152 296)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
32.3) PAYE and UIF		
Opening balance	-	-
Current year subscription / fee	25 624 382	25 029 042
Amount paid - current year	(25 624 382)	(25 029 042)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
32.4) Pension and Medical Aid Deductions		
Opening balance	-	-
Current year subscription / fee	25 579 271	23 424 805
Amount paid - current year	(25 579 271)	(23 424 805)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
32.5) VAT		
VAT payable	4 471 497	2 892 352

VAT output payables and VAT input receivables are shown in note 11.

All VAT returns have been submitted by the due date throughout the year.

32.6) Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2019:

30 June 2019	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
	-	-	-

32.7) Non-compliance to laws and regulations

In terms of section 17(2) of the Municipal Supply Chain Management Regulations a designated official referred to in subregulation (1)(c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subregulation. The report was submitted late by the relevant official as prescribed.

In terms of section 75(1)(g) of the Local Government : Municipal Finance Management Act the accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality : all supply chain management contracts above a prescribed value. Four reports was placed late by the relevant official as prescribed.

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33. Capital Commitments

Authorised capital expenditure

Capital commitments are specific capital projects approved per tender and budget but still in progress at period end. The municipality does not have any capital commitments for this financial period.

34. Retirement benefit information

The municipality provides retirement benefits for all its permanent employees through a defined contribution plan, which is subject to the Pension Fund Act, 1956 as amended. The contributions made by the municipality and the employees to the plan during the year was :

Cape Joint Pension Fund	154 902	211 495
Cape Joint Retirement Fund	25 624 382	24 187 954
	25 779 284	24 399 449

Cape Joint Pension Fund, which is a defined multi - employer contribution fund. Contribution ratio for employees 9% and Council 18%. Contribution ratio for Councillors 9% and Council 18%.

Multi employer funds are treated as defined contribution funds.

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35. Related parties

Relationships

The following related parties exist :

Government departments

National Treasury
Provincial Treasury
Department of Water Affairs and Forestry
D Joubert (Municipal Manager)

Members of key management - Refer to note 21 for the amounts payable to key management.

J C P Tesselaar (Chief Financial Officer)
W Markus (Director - Corporate and Community services)
H Matthee (Director - Technical services)
Ald J H Cleophas (Executive Mayor)
Cllr R W Strydom (Deputy Executive Mayor)
Cllr R E Swart (Speaker)
Cllr J A Engelbrecht (Mayoral committee member)
Ald B J Stanley (Mayoral committee member)
Ald F J Schippers (Mayoral committee member)
Cllr V D McQuire (Mayoral committee member)
Cllr F Kamfer
Cllr S A Gxabalashe
Ald E Plaatjies
Cllr G Stephan
Cllr J Alexander
Cllr J J Hoop
Cllr N M Ngobo
Cllr M Carosini
Cllr N S Qunta
Cllr R V Pretorius
Ald S I J Smit
Cllr J C Botha
Cllr E B Mankay
Ald E Nackerdlen
Cllr M Schrader
Cllr S M Scoltz
Cllr B J Penxa
Cllr C H Papers

Councillors - Refer to note 22 for the amounts paid to Councillors.

The municipal manager (D Joubert) and the chief financial officer (J C P Tesselaar) are trustees in the operating lease transaction that exists between the Council and the West Coast Financing Partnership. Payments are payable every six months. The properties involved in this transaction are section 36 of the farm Yzervarkensrug number 127 and section 3 of division Malmesbury farm number 91. The transaction are disclosed below :

Related party balances

Grants received from related parties

National Treasury	92 692 818	89 528 743
Provincial Treasury	4 152 980	3 052 272
Department of Water Affairs and Forestry	-	1 009 836

Purchase of goods and services from related parties

Department of Water Affairs and Forestry	8 351 000	7 119 651
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Sub-Lease transaction from related parties

West Coast Financing Partnership	10 857 073	9 693 815
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36. Leases

36.1) Lease payable

The total future minimum operating lease payments payable under existing arrangements are categorised as follows:

a) Within one year of the reporting date	519 729	655 970
b) More than one year but less than five years of the reporting date	367 603	274 654
	887 332	930 624

The municipality entered into an operating lease for the rental of photocopies for three years with Konica Minolta. There is no escalation clause.

The municipality entered into an operating lease for the rental of two offices. The lease is between Frank Family Trust and the municipality. The contract is for a period of one year. The property involved is Voortrekkerweg 47 Malmesbury.

The municipality entered into an operating lease for the rental of two offices. The lease is between Swimmerspark and the municipality. The contract is for a period of two years. The property involved is site 86 Velddift.

An operating lease exists between G R Damp and the municipality. The contract is for a month to month period. The property involved is Swartberg, Malmesbury (Section 5 of farm 619 Malmesbury road).

An operating lease exists between SITA and the municipality. The contract is for a period of one year. This involves the maintenance of Microsoft software, products and services.

The municipality entered into a operating lease for the rental of storage capacity. The lease is between Saldanhabay municipality and this municipality. The contract is for a month to month period. The property involved is erf 860 Langebaan.

The municipality entered into a operating lease for the provision of GPS devices in vehicles. The contract is between Ramm Systems and the municipality. The contract is for a period of 36 months.

The municipality entered into a operating lease for the rental of storage capacity. The lease is between Linu farms and this municipality. The contract is for a two year period. The property involved is Petersfield 455, Voortrekker Street, Citrusdal, Section Clanwilliam.

The municipality entered into a operating lease with Marcelle Ann Ellis and Jannie Nel Ellis. The contract is for a three year period. The property involved is Die Trek 28 Piketberg.

The municipality entered into a operating lease with Business Engineering. The contract involves the collaborator foundation system and is for a 12 month period.

The municipality entered into a operating lease with Strassberger Investments. The contract is for a three year period. The property involved is erf 2715 Hoofweg 28A Clanwilliam.

36.2) Lease receivable

The following future minimum significant operating lease receivable under the existing operating lease arrangement are categorised as follows:

a) Within one year of the reporting date	304 217	304 217
b) More than one year but less than five years of the reporting date, and	1 115 461	1 419 677
c) More than five years	-	-
	1 419 678	1 723 894

The municipality entered into an operating lease as lessor with the Department of Transport and Public Works as the lessee. The lease term commenced on 1 March 2014 and expires with option to extend on 28 February 2024 and covers a period of 10 years. The property involved is the Moorreesburg ambulance station situated on erf 641.

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37. Risk management and Financial instrument disclosure

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Market risk



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37. Risk management and Financial Instrument disclosure (continued)

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

37.1) Credit Risk

The carrying amount of financial assets and loans represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was :

Trade and other receivables	31 006 968	12 240 856
The ageing of trade and other receivables at the reporting date was :		
Current	30 843 413	12 087 117
30 Days	309 503	267 786
60 Days	64 101	44 798
90 Days	2 067	3 072
120 Days plus	699	8 299
Less : Provision for bad debt	(212 815)	(170 216)
	31 006 968	12 240 856

The movement in the allowance for bad debt in respect of trade receivables over the year was :

Balance at the beginning of the year	170 216	37 568
Contributions to provisions	226 942	151 196
Expenditure incurred	(184 343)	(18 548)
	212 815	170 216

The allowance for impairment in respect of trade and other receivables is used to record impairment losses until the municipality is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and written off directly against the financial asset.

37.2) Liquidity risk

The following are contractual maturities of financial liabilities, including interest payments and excludes the impact of netting agreements :

Non-derivative financial liabilities 2019	Carrying Amount	Contractual Cash Flows	Within 1 Year	2 - 5 Years	More than 5 Years
Unspent conditional grants and receipts	1 291 586	-	-	-	-
Long term liabilities	27 609 922	-	14 728 192	12 881 730	-
	28 901 508	-	14 728 192	12 881 730	-

37.3) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long term debtors, consumer debtors, other debtors and bank and cash balances. The municipality is exposed to interest rate risk as the municipality's borrowed funds is at a fixed interest rate. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The financial assets are based on the interest rate provided by the banks and National Treasury at the reporting date. The municipality's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date are as follows :

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37. Risk management and Financial Instrument disclosure (continued)

Non-derivative financial assets 2019

	Within 1 Year	2 - 5 Years	More than 5 Years
Trade and other receivables (8.5%)	31 006 968	-	-
Cash and cash equivalents - Cash book balances (6.5% floating)	306 612 607	-	-
	337 619 575	-	-

Non-derivative financial liabilities 2019

	Within 1 Year	2 - 5 Years	More than 5 Years
Trade and other payables (Interest free)	8 971 722	-	-
Unspent conditional grants and receipts	1 291 586	-	-
Long term liabilities (12.54%, 11.73%, 8.60500%, 10.87%)	14 728 192	12 881 730	-
	24 991 500	12 881 730	-

Sensitivity analysis

An increase of 1% in interest rates at 30 June would have increased / (decreased) financial assets and profit or loss by the amounts shown below. A decrease of 1% in interest at 30 June would have had the equal but opposite effect on the above financial instruments, on the basis that all other variables remain constant. There were no changes in the municipality's approach from the prior year.

Non-derivative financial assets 2019

	Statement of Financial Position	Profit or loss
Trade and other receivables	31 006 968	310 070
Cash and cash equivalents - Cash book balances	306 612 607	3 066 126
	337 619 575	3 376 196

37.4) Fair value

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the Statement of Financial Position.



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38. Contingent liabilities

The municipality is being sued by West Coast Builders (BK) amounting to R2 110 643 for the rendering of services starting in October 2014. The legal expert believes the municipality has a reasonable chance of success.

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39. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements. The value of the award is disclosed in the financial statements. The actual expenditure incurred for this financial year amounts to R5 930 089.

Sasfin Commercial Solutions - Sole Supplier	5 000	-
Imperial Trucks - Sole Supplier	6 038	-
Imperial Trucks - Sole Supplier	8 552	-
Imperial Truck - Sole Supplier	8 162	-
Imesa Conference - Sole Supplier	12 600	-
JB's Trucks - Sole Supplier	6 921	-
Unitrans Automotive - Sole Supplier	2 109	-
Barloworld Equipment - Strip & Quote	3 502	-
Imperial Trucks - Sole Supplier	6 314	-
Sasfin Commercial Solution - Sole Supplier	5 000	-
Imperial Trucks - Sole Supplier	8 665	-
Wolters Kluwer Tax and Account - Sole Supplier	16 498	-
Quantum Design and Engineering - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	7 774	-
Imperial Trucks - Sole Supplier	7 601	-
De Kock Panelbeaters & Spraypainters CC - Emergency	13 225	-
Charis 2014001244 SA (Pty) Ltd - Emergency	15 425	-
KSB Pumps and Valves - Strip & Quote	17 767	-
Ivan Vos & Associates- Exceptional case and it is impractical to follow the official procurement processes.	15 000	-
Auma South Africa - Stip & Quote	34 173	-
Nelson Mandela Metropolitan University - Exceptional case and it is impractical to follow the official procurement processes.	8 430	-
Sasfin Commercial Solutions - Sole Supplier	5 000	-
Imperial Trucks - Sole Supplier	5 931	-
Stephen Du Plessis Grondverskuwing	2 944	-
Chartered Institute of Government Finance, Audit & Risk Officers (CIGFARO) - Exceptional case and it is impractical to follow the official procurement processes.	15 252	-
Auma South Africa - Strip and Quote	6 348	-
Imperial Trucks - Sole Supplier	5 630	-
Ezyed - Sole Supplier	633 783	-
Steve's Electrical - Exceptional case and it is impractical to follow the official procurement processes.	9 442	-
Institute of Internal Auditors - Exceptional case and it is impractical to follow the official procurement processes.	5 560	-
Interactive Trading 498 cc - Exceptional case and it is impractical to follow the official procurement processes.	46 005	-
Sasfin Commercial Solutions - Sole Supplier	5 000	-
Imperial Trucks - Sole Supplier	6 771	-
Imperial Trucks - Sole Supplier	6 001	-
VI Instruments - Sole Supplier	4 110	-
Ivan Vos & Associates - Exceptional case and it is impractical to follow the official procurement processes.	15 000	-
Auma South Africa - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	52 575	-
Imperial Trucks - Sole Supplier	6 010	-
Nextec Industrial Technologies - Exceptional case and it is impractical to follow the official procurement processes.	268 550	-
Sasfin Commercial Solutions - Sole Supplier	5 000	-
Imperial Trucks - Sole Supplier	5 967	-



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Directech - Exceptional case and it is impractical to follow the official procurement processes.	5 060	-
Bytes Systems Integration - Sole Supplier	124 644	-
LH Marthinusen - Strip & Quote	134 902	-
Nextec Industrial Technologies - Exceptional case and it is impractical to follow the official procurement processes.	185 617	-
Roux & Van Dyk - Exceptional case and it is impractical to follow the official procurement processes.	14 939	-
Wec - Consult - Exceptional case and it is impractical to follow the official procurement processes.	368 642	-
Vision Elevators - Exceptional case and it is impractical to follow the official procurement processes.	511 678	-
Moorreesburg Aircons - Emergency	6 269	-
Roux & Van Dyk - Exceptional case and it is impractical to follow the official procurement processes.	20 240	-
Roux & Van Dyk - Exceptional case and it is impractical to follow the official procurement processes.	22 126	-
Groter Cederberg Brandbeskerming - Emergency	4 356	-
Groter Cederberg Brandbeskerming - Emergency	29 392	-
Working on Fire - Emergency	99 970	-
Sasfin - Sole Supplier	5 000	-
Kruger & Blignaut Attorneys - Exceptional case and it is impractical to follow the official procurement processes.	3 531	-
Working on Fire - Emergency	44 738	-
Avalon Works - Exceptional case and it is impractical to follow the official procurement processes.	4 975	-
Synergy Oil and Gas Consulting - Exceptional case and it is impractical to follow the official procurement processes.	29 500	-
Viking Pony Africa (Pty) Ltd - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	10 510	-
LH Marthinusen (Pty) Ltd - Strip & Quote	126 405	-
Working on Fire - Emergency	222 821	-
Sasfin - Sole Supplier	5 000	-
Unisa - Exceptional case and it is impractical to follow the official procurement processes.	21 000	-
Nextec Industrial Technologies - Exceptional case and it is impractical to follow the official procurement processes.	440 296	-
Business Engineering - Exceptional case and it is impractical to follow the official procurement processes.	315 238	-
Roux & van Dyk - Exceptional case and it is impractical to follow the official procurement processes.	21 934	-
Roux & van Dyk - Exceptional case and it is impractical to follow the official procurement processes.	5 740	-
Working on Fire - Emergency	3 644	-
Audio Visual Centre - Exceptional case and it is impractical to follow the official procurement processes.	3 575	-
University of Stellenbosch - Exceptional case and it is impractical to follow the official procurement processes.	23 800	-
Saldanha Diving and Blasting - Emergency	34 500	-
Sasfin - Sole Supplier	5 000	-
AFG Fluid Control - Emergency	14 854	-
Nextec Industrial Technologies - Exceptional case and it is impractical to follow the official procurement processes.	310 803	-
Namibia Tourism Expo - Exceptional case and it is impractical to follow the official procurement processes.	41 035	-
Directech - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	9 718	-
Charis 2014001244 SA (Pty) Ltd - Strip & Quote	2 240	-
Working on Fire - Emergency	372 040	-

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Roux & Van Dyk - Exceptional case and it is impractical to follow the official procurement processes.	21 033	-
Nextec Industrial Technologies - Exceptional case and it is impractical to follow the official procurement processes.	208 725	-
Sasfin - Sole Supplier	5 000	-
Vetties Waste (Pty) Ltd - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	4 807	-
Working on Fire - Emergency	72 146	-
De Kock Cronje - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	17 466	-
Sasfin Commercial Solutions - Sole Supplier	6 000	-
Wesgro - Exceptional case and it is impractical to follow the official procurement processes.	50 000	-
Wesgro - Exceptional case and it is impractical to follow the official procurement processes.	30 000	-
Working on Fire - Emergency	2 314	-
Nextec Industrial Technologies - Exceptional case and it is impractical to follow the official procurement processes.	234 392	-
Business Engineering - Exceptional case and it is impractical to follow the official procurement processes.	95 271	-
Surtie Supply and Services - Emergency	7 300	-
Surtie Supply and Services - Exceptional case and it is impractical to follow the official procurement processes.	8 550	-
De Kock Cronje - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	21 396	-
Wec - Consult (Pty) Ltd - Exceptional case and it is impractical to follow the official procurement processes.	73 733	-
Nextec Industrial Technologies - Exceptional case and it is impractical to follow the official procurement processes.	223 229	-
Working on Fire - Emergency	102 828	-
Sulzer Pumps SA - Ad-hoc repairs to plant and equipment where it is impractical or impossible to follow the official procurement process.	782 362	-
Nextec Industrial Technologies - Exceptional case and it is impractical or impossible to follow the official procurement process.	558 243	-
Linu Boerdery - Exceptional case and it is impractical to follow the official procurement processes.	-	123 854
Mouton Citrus (Edms) Bpk - Exceptional case and it is impractical to follow the official procurement processes.	-	30 277
JB's Truck (Pty) Ltd - Exceptional case and it is impractical to follow the official procurement processes.	-	2 104
Komatsu SA (Pty) Ltd - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	4 012
Barloworld Equipment - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	32 019
High Power Equipment Africa - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	10 647
Arch Actuarial Consulting - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	7 411



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SSE Excelcom - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	17 996
Barloworld Equipment - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	15 195
Unisa - Exceptional case and it is impractical to follow the official procurement processes.	-	4 711
Reflect All Compressors - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	2 451
Cape Media Corporation - Exceptional case and it is impractical to follow the official procurement processes.	-	20 521
Business Engineering - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	60 649
Marcelle & Jannie Ellis - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	61 752
Saggies CC - Exceptional case and it is impractical to follow the official procurement processes.	-	71 821
Fintech - Exceptional case and it is impractical to follow the official procurement processes.	-	5 000
AMC International - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	6 500
Barloworld Equipment - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	14 615
DMISA - Sole Supplier	-	6 700
Bell Equipment - Sole Supplier	-	12 000
Effective Human Interventions - Exceptional case and it is impractical to follow the official procurement processes.	-	7 409
Metallurgical Testing Lab - Exceptional case and it is impractical to follow the official procurement processes.	-	6 012
Excelsior Flanges - Emergency	-	3 988
600CT Manufacturing (Pty) Ltd - Exceptional case and it is impractical to follow the official procurement processes.	-	13 242
Take Note Trading 321 - Sole Supplier	-	13 916
Metallurgical Testing Lab - Exceptional case and it is impractical to follow the official procurement processes.	-	17 783
Atlas Staalgeboue BK - Emergency	-	3 988
High Power Equipment Africa - Sole Supplier	-	17 887
Fintech - Exceptional case and it is impractical to follow the official procurement processes.	-	5 000
Stellenbosch University - Exceptional case and it is impractical to follow the official procurement processes.	-	30 000



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Stellenbosch University - Exceptional case and it is impractical to follow the official procurement processes.	-	30 000
Global Prospective Development - Exceptional case and it is impractical to follow the official procurement processes.	-	27 326
Bytes Universal Systems - Exceptional case and it is impractical to follow the official procurement processes.	-	2 850
Advanced Worx 112 - Exceptional case and it is impractical to follow the official procurement processes.	-	27 178
Bytes Universal Systems - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	20 600
The Boardwalk Hotel - Exceptional case and it is impractical to follow the official procurement processes.	-	16 399
IMPSA - Exceptional case and it is impractical to follow the official procurement processes.	-	10 650
North-West University - Exceptional case and it is impractical to follow the official procurement processes.	-	30 000
Komatsu SA - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	11 125
Take Note Trading 321 - Sole Supplier	-	16 336
Fintech - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	5 000
Talon Construction - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	116 509
Imperial Trucks - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	5 994
Working on fire - Emergency	-	69 432
Working on fire - Emergency	-	197 257
Working on fire - Emergency	-	46 044
Working on fire - Emergency	-	89 545
Working on fire - Emergency	-	61 204
Fintech - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	5 000
C K Rumboll & Vennote - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	466 260
R J Consani - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	92 380
Working on fire - Emergency	-	61 203
Sivad Trading - Emergency	-	18 500
Auma South Africa (Pty) Ltd - Emergency	-	3 041
Working on fire - Emergency	-	61 997
Groter Cederberg Brandbeskerming - Emergency	-	997
Groter Cederberg Brandbeskerming - Emergency	-	2 730
Groter Cederberg Brandbeskerming - Emergency	-	5 100
Groter Cederberg Brandbeskerming - Emergency	-	7 565
Groter Cederberg Brandbeskerming - Emergency	-	5 118
Working on Fire - Emergency	-	132 734
CSX Customer Services - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	2 257
Groter Cederberg Brandbeskerming - Emergency	-	5 860



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Masterreads t/a Trentyre Moorreesburg - Emergency	-	2 142
Fintech - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	5 000
Exhibition Building Solutions - Sole Supplier	-	9 484
Fintech - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	2 169
Fintech - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	2 169
Vetties Maintenance & Clearing - Emergency	-	29 449
Vetties Maintenance & Clearing - Emergency	-	65 394
Valco Group SA - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	2 280
Babcock Equipment - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	6 995
Barloworld Equipment - Sole Supplier	-	28 590
Imperial Trucks - Sole Supplier	-	5 999
Continous Professional Development - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	12 517
Viking Pony Africa (Pty) Ltd - Emergency	-	118 297
Working on fire - Emergency	-	141 147
Unisa - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	1 470
Unisa - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	26 449
Man Truck & Bus SA (Pty) Ltd - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	8 634
Working on fire - Emergency	-	95 552
Northlink College - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	5 050
Leadership Academy for Guardians of Governance - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	23 928
Institute of Fire Engineers - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	26 336
Fintech - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	5 000
Namibia Tourism Expo - Sole Supplier	-	40 244
Darling Security Services - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	34 947
Hazard Bonako Cape (Pty) Ltd - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	3 028
Hidro-Tech Systems - Emergency	-	78 718
Valco Group SA - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	22 344
JJ Hanekom Verkoeling & Herstelwerke - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	3 492
Bytes Universal Systems - Such goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements.	-	11 877
Komatsu South Africa (Pty) Ltd - Sole Supplier	-	12 061



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Unisa - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	9 400
Leadership Academy - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	19 990
Fintech - Sole Supplier	-	5 000
Darling Security Services (Pty) Ltd - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	47 710
WESGRO - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	34 680
Imperial Group - Hino Trucks - Sole Supplier	-	6 047
Bytes Universal Systems - Sole Supplier	-	43 572
Ignite Advisory Services (Pty) Ltd - Sole Supplier	-	163 300
Ignite Advisory Services (Pty) Ltd - Sole Supplier	-	80 960
Bytes Universal Systems - Sole Supplier	-	19 939
Sizonke Trading Cape Town (Pty) Ltd - Exceptional case and it is impractical to follow the official procurement processes.	-	136 083
Cubigenix (Pty) Ltd - Emergency	-	3 565
Bytes Universal Systems - Sole Supplier	-	40 064
WESGRO - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	21 500
JB's Trucks - Sole Supplier	-	6 822
Moorreesburg Aircons - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	3 931
Darling Security Services (Pty) Ltd - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	85 941
SASFIN - Sole Supplier	-	3 144
Reflect All Compressors - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	2 627
SASFIN Commercial Solutions - Sole Supplier	-	5 000
JB's Nissan - Sole Supplier	-	6 565
JB's Nissan - Sole Supplier	-	6 617
Agrico Piketberg - Emergency	-	18 030
Saldanha Diving and Blasting - Emergency	-	5 750
Reflect All Compressors - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	47 231
Hazard Bonako Cape - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	2 459
Bytes Universal Systems - Sole Supplier	-	227 795
	7 450 162	4 188 133

In terms of the Supply Chain Regulations No 27636 - 30 May 2005 Section 45 the municipality is allowed to make awards to close family members or persons in the service of the state, or who have been in the service of the state in the previous twelve months. As per the reporting period the municipality made the following awards :

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

Cummins South Africa - Mr M Mokoka - W & R Seta - Director	4 624	-
Global Africa Network - Mr S Mabotja - Department of Agriculture - Director	235 935	233 884
Piston Power Chemicals CC - Mrs N Andhee - KZN Department of Education - Teacher	583 205	-
IOMU Trading (Pty) Ltd - Mrs A Appollis - Department of Correctional Services - Employee	364 669	-
Nyetseti General Supply Company - Mr K Munyama - National Statistics of SA - Employee	13 999	-
African Oxygen Limited - Nomfundo Qangule - Goega Development Corporation - Employee	195 525	87 760
M C Bakwerke - Mrs R Mckrieling - West Coast District Municipality - Clerk	73 350	23 847
Global Credit Rating Co - Mr M Ngoasheng - Coega Development Corporation - Non-executive director	198 375	171 000



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Sivad Trading (Pty) Ltd - Mrs Y Davis Michaels - Department of International Relations - Clerk	42 626	54 247
Blackbird Trading CC - Mrs M Smit - Swartland Municipality - Snr Clerk	6 500	11 000
Golden Reward 1873CC - Mr R de Jager - WC : Department of Education - Teacher	97 400	33 430
Ithuba Industries - Mrs De Morney - Sir Lowry's Pass Primary - Teacher	658 896	13 778
CICFARO - Various Directors - Various Municipalities	25 612	-
JB's Nissan - Mr R Kortje - Department of Education - Teacher	56 026	68 221
JB's Nissan - Mr R Kortje - Department of Education - Teacher	146 654	45 405
Massive Quantum (Pty) Ltd - Mrs F Hendricks - City of Cape Town - Employee	-	246 740
Johan van Wyk - Mr J van Wyk - Stellenbosch Municipality - Employee	50 930	-
Multimode Trading - Mrs H Esterhuizen - South African Police Services - Employee	31 747	-
Extreme Boards (Pty) Ltd - Mrs A Matthyse - Director	-	150
Anka Spyseniering - Mr A and K Frans - West Coast District Municipality - Employee	42 000	4 300
D J Vibrations - Mrss H & M Lakey - Close Corporation - Members	-	2 500
Exone Oil Purification - Financial and Fiscal Commission - Employee	-	32 750
Euraf Agencies CC - Mrs R Fourie - Employee	2 471	26 040
Ladybugs Innovative Marketing (Pty) Ltd - Mr R Levendal - Employee	21 114	29 199
Bubbles Household Chemicals - Miss C Pieters - Employee	39 261	21 470
Blue Planet Trading (Pty) Ltd - Mr W de Kock - Employee	346 544	491 972
	3 237 463	1 597 693

40. Reticulation Losses

Water

Kilolitres purchased - after purification

Kilolitres sold

17 502 755 17 161 596

(16 794 833) (16 397 437)

Reticulation loss

708 122

764 159

Percentage

4.05%

4.45%

The norm for water losses is 10%. The losses occurred due to burst pipes and leaks from the reservoirs to the consumers.

Electricity

No electricity losses were incurred.



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West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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41. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance. Please refer to appendix A for more detailed disclosures.

Net surplus per the statement of financial performance		
Adjusted for :	17 224 462	30 726 974
Accounts exceeding budget	-	-
Service concession revenue	16 618 817	-
Investment revenue	(8 447 677)	(7 868 713)
Resort income	(1 588 226)	(1 192 858)
Other own revenue	976 911	(8 518 566)
Interest on debtors	(7 752)	(63 143)
Agency services	(1 160 014)	-
Licence and permits	(191 339)	-
Employee costs	1 473 736	-
Finance charges	3 498 050	-
Other expenditure	-	258 879
Transfers recognised - operational	-	36 697
Accounts not exceeding budget	-	-
Service concession revenue	-	23 318 054
Transfers recognised - operational and capital	2 843 197	-
Employee costs	-	(3 489 306)
Finance charges	-	(2 980 829)
Agency services	-	5 556 111
Licence and permits	-	(105 465)
Bulk purchases	(5 325 800)	(394 344)
Debt impairment	(573 058)	(1 395 303)
Depreciation and asset impairment	(12 282 577)	(5 792 077)
Other expenditure	(3 883 938)	-
Other materials	(18 415 507)	(25 604 286)
	(9 240 715)	2 491 826

42. Road agency services

Revenue recognised	138 309 015	128 521 889
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43. Actuarial gains recognised - employee benefits

Medical aid benefits - refer to note 15 and 16	6 470 422	2 902 225
Roads receivable	-	1 267 886
	6 470 422	4 170 111

44. Finance Income

Short-term investments	21 745 419	18 816 009
Primary bank account	2 301 216	2 937 454
Water service concession	3 857 845	-
	27 904 480	21 753 463

45. Allowance for impairment

Other receivables from exchange transactions	226 942	151 197
Trade receivables from exchange transactions	-	-
	226 942	151 197

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
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46. Repairs and maintenance

In accordance with GRAP 17 paragraph 88 and 89 the municipality shall separately disclose expenditure incurred to repair and maintain property, plant and equipment in the notes to the financial statements. Below are repairs and maintenance per asset class and nature :

Repairs and maintenance per asset class	Buildings	Infrastructure	Other	Investment property	Total - 30 June 2019
Water reticulation	-	1 497 951	-	-	1 497 951
Buildings	1 120 543	-	-	448 980	1 569 523
Computer equipment	-	-	6 001	-	6 001
Furniture and office equipment	-	-	1 260	-	1 260
Machinery and equipment	-	-	5 088 292	-	5 088 292
Transport assets	-	-	1 426 290	-	1 426 290
	1 120 543	1 497 951	6 521 843	448 980	9 589 317

The repairs and maintenance expenses for the year amounts to R57 968 045, R48 373 728 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of a signed agreement between the Department of Transport and Public works on an agency basis. The remaining R9 589 317 pertains to repair cost incurred to the municipal assets as depicted in the note above.

Repairs and maintenance per asset class	Buildings	Infrastructure	Other	Investment property	Total - 30 June 2018
Water reticulation	-	1 656 529	-	-	1 656 529
Buildings	1 209 248	-	-	188 867	1 398 115
Computer equipment	-	-	1 290	-	1 290
Machinery and equipment	-	-	4 356 587	-	4 356 587
Transport assets	-	-	1 147 363	-	1 147 363
	1 209 248	1 656 529	5 505 240	188 867	8 559 884

The repairs and maintenance expense for the year amounts to R55 752 626, R47 192 742 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of a signed agreement between the Department of Transport and Public works on an agency basis. The remaining R8 559 884 pertains to repair cost incurred to the municipal assets as depicted in the note above.

47. Materials and supplies

Materials	40 468 471	37 259 483
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48. Fees earned

Environmental health certificates and trading	446 183	316 766
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49. Transfers and subsidies

Farmer support houses	2 233 895	1 567 071
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West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
50. Distribution		
Balance at the beginning of the year	(7 043 651)	-
Contribution for the year	35 158 231	21 356 864
Reversal of contribution - refer to note 26	-	(21 356 864)
Transferred from the distribution - refer to note 26	-	(7 043 651)
	28 114 580	(7 043 651)

West Coast District Municipality (operator) is operating a water concession on behalf of the following B (local) municipalities (grantor), namely Saldanha Bay, Swartland and Bergriver. The current water concession agreement will be terminated at 30 June 2020. The stakeholders (operator and grantor) are however busy with a Section 78 process in terms of the Local Government : Municipal System Act, 2000 (Act 32 of 2000) to decide on the future service delivery mechanism.

West Coast District Municipality as the operator of the water concession is responsible for the day to day operations of the bulk water purification works, including the maintaining of the water network. The relevant local municipalities (grantor) are responsible to capital replacement and upgrading. The only change facilitated during the financial year was the tariff structure. Cashflows are limited to the sale of water that are based on the tariff charged in terms of the agreement. Future cashflows is dependent on the Section 78 process and future agreements.

51. Change in accounting estimate

Property, plant and equipment

The following change in estimate amounting to R245 890 was made to depreciation of other assets with zero book values but still in use reported in the financial statements of the municipality and is applied prospectively.

Depreciation adjustment to other assets	245 890	-
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52. Asset receivable - local municipalities

Current portion of the asset receivable - local municipalities	14 728 192	13 731 176
Non-current portion of the asset receivable - local municipalities	10 609 683	22 871 197
	25 337 875	36 602 373

The asset receivable relates to the water service concession arrangement. Refer to note 14 for the liability disclosures.

West Coast District Municipality
Appendix A
June 2019

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2019

	Act. Bal. Rand	Adjusted budget Rand	Variance		Explanation of Significant Variances greater than 10% versus Budget
			Rand	Var	
Revenue					
Service concession revenue	80 294 718	96 913 535	(16 618 817)		(17,1) Transfer of the concession surplus to a provision
Rental of facilities and equipment	4 252 735	2 664 509	1 588 226		59,6 Reservations increase at the holiday resort
Interest received - Investments	27 804 481	19 456 804	8 447 677		43,4 higher level of cash this financial year
Interest received - Debtors received	50 730	42 978	7 752		18,0 Higher level of debt recovery
Agency services	138 309 014	137 149 000	1 160 014		0,8
Licences and permits	446 183	254 844	191 339		75,1 more licences issued than expected
Transfers recognised - operating	94 127 620	96 530 996	(2 403 376)		(2,5)
Transfers recognised - capital	2 718 178	3 158 000	(439 822)		(13,9) Less grants spent than expected
Other revenue	12 300 090	13 277 001	(976 911)		(7,4) Increase in water service concession revenue and actuarial gains recognised
	360 403 749	369 447 667	(9 043 918)	(2,4)	
Expenses					
Employee costs	(176 125 850)	(174 386 330)	(1 739 520)		1,0
Remuneration of councillors	(6 139 696)	(6 405 481)	265 785		(4,1)
Debt impairment	(226 942)	(800 000)	573 058		(71,6) Less debt written-off than expected
Depreciation and asset impairment	(8 754 952)	(21 037 529)	12 282 577		(58,4)
Finance charges	(3 663 215)	(165 165)	(3 498 050)		2 117,9 Loans not budgeted due to the transfer of water asset and liabilities to the Local Municipalities.
Other materials	(40 468 471)	(58 883 977)	18 415 506		(31,3) Difference between GRAP and mSCOA
Bulk purchases	(8 351 000)	(13 676 800)	5 325 800		(38,9) Water assets transfer - service concession arrangement
Transfers and subsidies	(2 233 895)	(2 912 021)	678 126		(23,3) Less subsidies provided than expected
General Expenses	(97 215 266)	(100 421 079)	3 205 813		(3,2)
	(343 179 287)	(378 688 382)	35 509 095	(9,4)	

West Coast District Municipality

Appendix A

June 2019

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2019

	Act. Bal.	Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Net surplus/ (deficit) for the year	17 224 462	(9 240 715)	26 465 177	(286,4)

Unaudited schedule:

Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

RECONCILIATION OF TENDERS ACCOUNTED FINANCIAL PERFORMANCE (Revenue and expenditure by standard classification)															
Description	2018/2019						2017/2018								
	Original Budget	Budget Adjustments (Lia. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (s31, s31 of the MFMA)	Virement (Lia. Council approved policy)	Final Budget	Actual Outcome	Unauthorized expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Revised Audited Outcome
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Revenue - Standard															
Governance and administration	165,708	3,366	169,122	-	-	169,152	127,693	-	14,451	110.00	120.65	-	-	-	125,545
Executive and council	-	800	800	-	-	800	-	-	(800)	-	-	-	-	-	224
Budget and treasury office	105,708	2,586	108,352	-	-	108,352	127,555	-	19,203	117.72	120.80	-	-	-	125,188
Corporate services	-	-	-	-	-	-	48	-	48	-	-	-	-	-	133
Community and public safety	23,793	47	23,840	-	-	23,840	24,211	-	371	101.56	101.76	-	-	-	23,767
Community and social services	-	-	-	-	-	-	(2)	-	(2)	-	-	-	-	-	-
Sport and recreation	4,270	-	4,270	-	-	4,270	4,240	-	(30)	-	-	-	-	-	3,843
Public safety	10,067	-	10,067	-	-	10,067	10,044	-	(43)	99.57	99.57	-	-	-	9,965
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	9,438	47	9,485	-	-	9,485	9,928	-	443	104.70	105.22	-	-	-	10,079
Economic and environmental services	127,302	13,485	140,877	-	-	140,877	131,872	-	(8,995)	93.64	103.67	-	-	-	122,427
Planning and development	37	668	733	-	-	733	610	-	(123)	-	-	-	-	-	756
Road transport	127,265	12,489	139,754	-	-	139,754	131,351	-	(8,392)	93.69	103.22	-	-	-	121,371
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	98,318	(2,136)	95,988	-	-	95,988	79,818	-	(16,150)	79.84	77.93	-	-	-	84,326
Electricity	-	(2,000)	95,518	-	-	95,518	79,188	-	(16,350)	79.74	77.47	-	-	-	84,356
Water	-	-	450	-	-	450	450	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-
Total Revenue - Standard	355,778	14,288	369,448			369,448	306,664		(6,044)	97.55	107.47				355,734
Expenditure - Standard															
Governance and administration	55,616	14,718	70,334	-	-	70,334	58,331	-	(14,002)	80.00	161.29	-	-	-	46,735
Executive and council	10,618	914	11,530	-	-	11,530	10,092	-	(1,438)	87.53	95.88	-	-	-	12,164
Budget and treasury office	43,228	13,778	57,016	-	-	57,016	36,443	-	(17,574)	60.18	91.22	-	-	-	30,985
Corporate services	1,761	28	1,787	-	-	1,787	6,787	-	5,010	380.27	-	-	-	-	6,680
Community and public safety	79,188	(374)	78,814	-	-	78,814	68,241	-	(1,371)	97.75	97.23	-	-	-	84,211
Community and social services	2,352	(11)	2,341	-	-	2,341	2,015	-	(326)	86.07	85.85	-	-	-	1,852
Sport and recreation	5,872	(117)	5,755	-	-	5,755	5,267	-	(488)	91.51	88.89	-	-	-	5,011
Public safety	37,001	(378)	36,624	-	-	36,624	37,083	-	470	101.26	100.25	-	-	-	34,903
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	24,982	133	25,095	-	-	25,095	23,696	-	(1,229)	95.11	93.61	-	-	-	23,045
Economic and environmental services	139,731	12,579	149,270	-	-	149,270	146,899	-	(2,371)	98.36	102.43	-	-	-	128,357
Planning and development	-	30	9,617	-	-	9,617	8,737	-	(780)	91.80	92.89	-	-	-	8,070
Road transport	127,265	12,489	139,754	-	-	139,754	131,351	-	(8,392)	93.98	103.22	-	-	-	121,287
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	98,318	(2,136)	95,988	-	-	95,988	75,818	-	(10,417)	87.99	85.06	-	-	-	78,674
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	68,058	(2,470)	65,588	-	-	65,588	75,168	-	(10,417)	87.83	85.36	-	-	-	78,674
Waste management	-	-	450	-	-	450	450	-	-	-	-	-	-	-	-
Other	3,233	1	3,234	-	-	3,234	2,890	-	(344)	-	-	-	-	-	3,027
Total Expenditure - Standard	353,945	24,044	378,089			378,089	343,179		(35,909)	90.82	96.59				325,967
Surplus/deficit for the year	1,134	(10,071)	(8,241)			(8,241)	17,224		25,465						30,727

Unaudited schedule:

Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

RECONCILIATION OF ABOVE A3 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE OF MUNICIPAL GOVT VOES)															
Vote Description	2018/2019						2017/2018								
	Original Budget	Budget Adjustments (I.L. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (I.L. s31 of the MFMA)	Virement (I.L. Council approved policy)	Final Budget	Actual Outcomes	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Revised Audited Outcome
RR thousand	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue by Vote															
Vote 1 - EXECUTIVE AND COUNCIL	357	1,617	2,014	-	-	2,014	1,382	-	(632)	68,82	348,12	-	-	-	980
Vote 2 - FINANCE	106,609	1,427	108,036	-	-	108,036	129,253	-	21,217	119,84	121,24	-	-	-	128,831
Vote 3 - ADMINISTRATION	19,544	47	19,591	-	-	19,591	20,019	-	428	102,19	102,43	-	-	-	20,198
Vote 4 - TECHNICAL	103,922	(1,311)	102,611	-	-	102,611	80,629	-	(21,981)	78,58	77,58	-	-	-	84,356
Vote 5 - AGENCIES	124,707	12,489	137,196	-	-	137,196	129,120	-	(8,076)	94,11	103,54	-	-	-	121,371
Vote 6 - [NAME OF VOTE 6]															
Vote 7 - [NAME OF VOTE 7]															
Vote 8 - [NAME OF VOTE 8]															
Vote 9 - [NAME OF VOTE 9]															
Vote 10 - [NAME OF VOTE 10]															
Vote 11 - [NAME OF VOTE 11]															
Vote 12 - [NAME OF VOTE 12]															
Vote 13 - [NAME OF VOTE 13]															
Vote 14 - [NAME OF VOTE 14]															
Vote 15 - [NAME OF VOTE 15]															
Total Revenue by Vote	355,179	14,269	369,448	-	-	369,448	369,404	-	(4,044)	97,55	181,47	-	-	-	355,794
Expenditure by Vote to be appropriated															
Vote 1 - EXECUTIVE AND COUNCIL	27,972	1,256	29,228	-	-	29,228	28,249	-	(979)	96,65	100,89	-	-	-	27,813
Vote 2 - FINANCE	31,830	13,376	45,206	-	-	45,206	33,415	-	(11,790)	73,92	104,98	-	-	-	31,354
Vote 3 - ADMINISTRATION	71,656	(359)	71,297	-	-	71,297	69,771	-	(1,525)	97,86	97,37	-	-	-	65,878
Vote 4 - TECHNICAL	97,680	(1,916)	95,762	-	-	95,762	82,823	-	(13,139)	86,28	84,59	-	-	-	78,674
Vote 5 - AGENCIES	124,707	12,489	137,196	-	-	137,196	129,120	-	(8,076)	94,11	103,54	-	-	-	121,287
Vote 6 - [NAME OF VOTE 6]															
Vote 7 - [NAME OF VOTE 7]															
Vote 8 - [NAME OF VOTE 8]															
Vote 9 - [NAME OF VOTE 9]															
Vote 10 - [NAME OF VOTE 10]															
Vote 11 - [NAME OF VOTE 11]															
Vote 12 - [NAME OF VOTE 12]															
Vote 13 - [NAME OF VOTE 13]															
Vote 14 - [NAME OF VOTE 14]															
Vote 15 - [NAME OF VOTE 15]															
Total Expenditure by Vote	353,945	24,944	378,889	-	-	378,889	343,179	-	(35,710)	94,12	96,99	-	-	-	325,887
Surplus(Deficit) for the year	1,334	(16,579)	(9,241)	-	-	(9,241)	17,224	-	26,465	0	0	-	-	-	30,727

Unaudited schedule:

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Reconciliation of Table A4 Budgeted Financial Performance (Revenue and expenditure)															
Description	2018/2019						2017/2018								
	Original Budget	Budget Adjustments (L.O. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (L.O. s31 of the MFMA)	Virement (L.O. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Final Audited Outcome
Revenue By Source	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service concession - electricity revenue	620	441	1,061	-	-	1,061	822	-	(139)	88,88	148,79	-	-	-	747
Service concession - water revenue	98,327	(2,088)	96,061	-	-	96,061	72,746	-	(22,915)	76,05	73,98	-	-	-	83,483
Service concession - sanitation revenue	83	28	111	-	-	111	160	-	49	143,83	183,22	-	-	-	82
Service concession - refuse revenue	60	21	80	-	-	80	6,467	-	(6,387)	-	-	-	-	-	60
Service concession - other	-	-	-	-	-	-	6,467	-	-	-	-	-	-	-	7,988
Rental of facilities and equipment	2,674	(10)	2,665	-	-	2,665	4,253	-	1,588	158,61	159,01	-	-	-	3,943
Interest earned - external investments	18,030	1,427	19,457	-	-	19,457	27,904	-	8,448	143,42	154,77	-	-	-	21,753
Interest earned - outstanding debtors	33	10	43	-	-	43	51	-	8	118,04	153,55	-	-	-	86
Actualised gains recognised Employee Benefits	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	310	(55)	255	-	-	255	448	-	(1)	175,08	144,12	-	-	-	317
Licences and permits	124,690	12,489	137,140	-	-	137,140	138,309	-	1,169	100,65	110,95	-	-	-	128,522
Agency services	92,612	3,919	96,531	-	-	96,531	94,128	-	(2,403)	97,51	101,04	-	-	-	92,116
Transfers recognised - operational	15,211	(1,335)	13,276	-	-	13,276	12,300	-	(976)	92,85	80,88	-	-	-	15,485
Other revenue	352,621	13,988	366,290	-	-	366,290	357,686	-	(8,604)	97,85	101,44	-	-	-	354,284
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)															
Expenditure By Type															
Employees related costs	178,750	(2,303)	176,447	-	-	176,447	178,128	358,715	1,740	101,00	98,65	-	-	-	184,791
Remuneration of councillors	6,405	-	6,405	-	-	6,405	6,140	-	(265)	95,85	95,85	-	-	-	5,942
Debt impairment	800	-	800	-	-	800	227	-	(573)	-	-	-	-	-	151
Depreciation & asset impairment	7,427	13,911	21,038	-	-	21,038	8,755	-	(12,283)	41,92	117,88	-	-	-	11,780
Finance charges	165	-	165	-	-	165	3,683	-	3,488	2,217,91	2,217,91	-	-	-	5,474
Bulk purchases	12,282	1,414	13,697	-	-	13,697	8,351	-	(5,320)	61,06	68,10	-	-	-	7,120
Other materials	57,328	1,588	58,916	-	-	58,916	40,468	-	(18,416)	68,73	70,59	-	-	-	37,259
Contracted services	20,141	(16,839)	3,302	-	-	3,302	5,189	-	1,888	-	-	-	-	-	28,985
Treasury and grants	2,675	237	2,912	-	-	2,912	2,234	-	(678)	-	-	-	-	-	1,587
Other expenditure	60,893	27,228	88,121	-	-	88,121	92,046	-	(3,925)	94,78	131,70	-	-	-	94,368
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	352,621	24,344	376,965	-	-	376,965	365,178	-	(11,787)	90,82	98,88	-	-	-	325,867
Surplus/(Deficit)	(1,224)	(11,179)	(12,403)	-	-	(12,403)	14,508	-	20,438	(117,00)	(1,165,20)	-	-	-	28,217
Transfers recognised - capital	2,558	600	3,158	-	-	3,158	2,718	-	(440)	-	-	-	-	-	1,450
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1,334	(11,179)	(9,845)	-	-	(9,845)	17,224	-	19,986	(188,40)	1,291,15	-	-	-	38,727
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after transfers	1,334	(11,179)	(9,845)	-	-	(9,845)	17,224	-	19,986	(188,40)	1,291,15	-	-	-	38,727
Attributable to revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/(deficit) of associate	1,334	(11,179)	(9,845)	-	-	(9,845)	17,224	-	19,986	(188,40)	1,291,15	-	-	-	38,727
Surplus/(Deficit) for the year	1,334	(11,179)	(9,845)	-	-	(9,845)	17,224	-	19,986	(188,40)	1,291,15	-	-	-	38,727

Unassisted schools:
Department of Table A5 Estimated Capital Expenditure for single standard classification and funding

Reconciliation of Title AS End-year Capital Expenditure by vote, standard classification and funding															
Vote Description	2016/2019					2017/2018									
	Original Budget	Budget adjustment (i.e. off and on of the MPA)	Fund adjustment budget	Granting of funds (i.e. off and on of the MPA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcomes	Unclassified expenditure	Variances	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	Required unclassified expenditure	Expenditure submitted in form of motion 22 of MPA	Indication to be recovered	Finalised Audited Outcomes
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Capital expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															
Vote 2 - FINANCE	454	159	613			813	877		264	115.8	351.4				5
Vote 3 - ADMINISTRATION	783	1,474	2,179			2,179	2,472		284	6.6	5371				4,281
Vote 4 - TECHNICAL	88	888	787			787	52		(73)						
Vote 5 - AGENCIES	-	-	-			-	-		-						
Vote 6 - NAME OF VOTE (6)	-	-	-			-	-		-						
Vote 7 - NAME OF VOTE (7)	-	-	-			-	-		-						
Vote 8 - NAME OF VOTE (8)	-	-	-			-	-		-						
Vote 9 - NAME OF VOTE (9)	-	-	-			-	-		-						
Vote 10 - NAME OF VOTE (10)	-	-	-			-	-		-						
Vote 11 - NAME OF VOTE (11)	-	-	-			-	-		-						
Vote 12 - NAME OF VOTE (12)	-	-	-			-	-		-						
Vote 13 - NAME OF VOTE (13)	-	-	-			-	-		-						
Vote 14 - NAME OF VOTE (14)	-	-	-			-	-		-						
Vote 15 - NAME OF VOTE (15)	-	-	-			-	-		-						
Capital single-year expenditure sub-total	1,388	2,322	3,219			3,198	3,482		(174)	8	9				4,322
Capital expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															
Vote 2 - FINANCE	28	38	62			82	14		(48)	22.8	82.44				155
Vote 3 - ADMINISTRATION	11	3,019	3,028			3,020	2,715		(319)	88.66	24,670.52				888
Vote 4 - TECHNICAL	204	1,348	1,558			1,820	1,785		(370)	84.91	8374				3,253
Vote 5 - AGENCIES	-	-	-			-	1,836		(184)	53.80	507.23				145
Vote 6 - NAME OF VOTE (6)	-	-	-			-	-		-						
Vote 7 - NAME OF VOTE (7)	-	-	-			-	-		-						
Vote 8 - NAME OF VOTE (8)	-	-	-			-	-		-						
Vote 9 - NAME OF VOTE (9)	-	-	-			-	-		-						
Vote 10 - NAME OF VOTE (10)	-	-	-			-	-		-						
Vote 11 - NAME OF VOTE (11)	-	-	-			-	-		-						
Vote 12 - NAME OF VOTE (12)	-	-	-			-	-		-						
Vote 13 - NAME OF VOTE (13)	-	-	-			-	-		-						
Vote 14 - NAME OF VOTE (14)	-	-	-			-	-		-						
Vote 15 - NAME OF VOTE (15)	-	-	-			-	-		-						
Capital single-year expenditure sub-total	2,408	7,471	8,488			8,488	8,229		(177)	87.38	282.48				3,274
Capital expenditure - Vote	3,831	7,097	9,688			11,686	11,711		(1,000)	94.18	284.93				6,195
Capital Expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															
Vote 2 - FINANCE	1,385	2,298	4,297			4,217	4,996		(220)	94.07	281.80				238
Vote 3 - ADMINISTRATION	48	37	53			53	14		(40)		51,364.43				148
Vote 4 - TECHNICAL	1,504	2,715	4,264			4,264	4,942		(152)						83
Vote 5 - AGENCIES	-	-	-			-	-		-						
Vote 6 - NAME OF VOTE (6)	-	-	-			-	-		-						
Vote 7 - NAME OF VOTE (7)	-	-	-			-	-		-						
Vote 8 - NAME OF VOTE (8)	-	-	-			-	-		-						
Vote 9 - NAME OF VOTE (9)	-	-	-			-	-		-						
Vote 10 - NAME OF VOTE (10)	-	-	-			-	-		-						
Vote 11 - NAME OF VOTE (11)	-	-	-			-	-		-						
Vote 12 - NAME OF VOTE (12)	-	-	-			-	-		-						
Vote 13 - NAME OF VOTE (13)	-	-	-			-	-		-						
Vote 14 - NAME OF VOTE (14)	-	-	-			-	-		-						
Vote 15 - NAME OF VOTE (15)	-	-	-			-	-		-						
Capital single-year expenditure sub-total	2,408	7,471	8,488			8,488	8,229		(177)	87.38	282.48				3,274
Capital expenditure - Vote	3,831	7,097	9,688			11,686	11,711		(1,000)	94.18	284.93				6,195
Capital Expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															
Vote 2 - FINANCE	1,385	2,298	4,297			4,217	4,996		(220)	94.07	281.80				238
Vote 3 - ADMINISTRATION	48	37	53			53	14		(40)		51,364.43				148
Vote 4 - TECHNICAL	1,504	2,715	4,264			4,264	4,942		(152)						83
Vote 5 - AGENCIES	-	-	-			-	-		-						
Vote 6 - NAME OF VOTE (6)	-	-	-			-	-		-						
Vote 7 - NAME OF VOTE (7)	-	-	-			-	-		-						
Vote 8 - NAME OF VOTE (8)	-	-	-			-	-		-						
Vote 9 - NAME OF VOTE (9)	-	-	-			-	-		-						
Vote 10 - NAME OF VOTE (10)	-	-	-			-	-		-						
Vote 11 - NAME OF VOTE (11)	-	-	-			-	-		-						
Vote 12 - NAME OF VOTE (12)	-	-	-			-	-		-						
Vote 13 - NAME OF VOTE (13)	-	-	-			-	-		-						
Vote 14 - NAME OF VOTE (14)	-	-	-			-	-		-						
Vote 15 - NAME OF VOTE (15)	-	-	-			-	-		-						
Capital single-year expenditure sub-total	2,408	7,471	8,488			8,488	8,229		(177)	87.38	282.48				3,274
Capital expenditure - Vote	3,831	7,097	9,688			11,686	11,711		(1,000)	94.18	284.93				6,195
Capital Expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															
Vote 2 - FINANCE	1,385	2,298	4,297			4,217	4,996		(220)	94.07	281.80				238
Vote 3 - ADMINISTRATION	48	37	53			53	14		(40)		51,364.43				148
Vote 4 - TECHNICAL	1,504	2,715	4,264			4,264	4,942		(152)						83
Vote 5 - AGENCIES	-	-	-			-	-		-						
Vote 6 - NAME OF VOTE (6)	-	-	-			-	-		-						
Vote 7 - NAME OF VOTE (7)	-	-	-			-	-		-						
Vote 8 - NAME OF VOTE (8)	-	-	-			-	-		-						
Vote 9 - NAME OF VOTE (9)	-	-	-			-	-		-						
Vote 10 - NAME OF VOTE (10)	-	-	-			-	-		-						
Vote 11 - NAME OF VOTE (11)	-	-	-			-	-		-						
Vote 12 - NAME OF VOTE (12)	-	-	-			-	-		-						
Vote 13 - NAME OF VOTE (13)	-	-	-			-	-		-						
Vote 14 - NAME OF VOTE (14)	-	-	-			-	-		-						
Vote 15 - NAME OF VOTE (15)	-	-	-			-	-		-						
Capital single-year expenditure sub-total	2,408	7,471	8,488			8,488	8,229		(177)	87.38	282.48				3,274
Capital expenditure - Vote	3,831	7,097	9,688			11,686	11,711		(1,000)	94.18	284.93				6,195
Capital Expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															
Vote 2 - FINANCE	1,385	2,298	4,297			4,217	4,996		(220)	94.07	281.80				238
Vote 3 - ADMINISTRATION	48	37	53			53	14		(40)		51,364.43				148
Vote 4 - TECHNICAL	1,504	2,715	4,264			4,264	4,942		(152)						83
Vote 5 - AGENCIES	-	-	-			-	-		-						
Vote 6 - NAME OF VOTE (6)	-	-	-			-	-		-						
Vote 7 - NAME OF VOTE (7)	-	-	-			-	-		-						
Vote 8 - NAME OF VOTE (8)	-	-	-			-	-		-						
Vote 9 - NAME OF VOTE (9)	-	-	-			-	-		-						
Vote 10 - NAME OF VOTE (10)	-	-	-			-	-		-						
Vote 11 - NAME OF VOTE (11)	-	-	-			-	-		-						
Vote 12 - NAME OF VOTE (12)	-	-	-			-	-		-						
Vote 13 - NAME OF VOTE (13)	-	-	-			-	-		-						
Vote 14 - NAME OF VOTE (14)	-	-	-			-	-		-						
Vote 15 - NAME OF VOTE (15)	-	-	-			-	-		-						
Capital single-year expenditure sub-total	2,408	7,471	8,488			8,488	8,229		(177)	87.38	282.48				3,274
Capital expenditure - Vote	3,831	7,097	9,688			11,686	11,711		(1,000)	94.18	284.93				6,195
Capital Expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															
Vote 2 - FINANCE	1,385	2,298	4,297			4,217	4,996		(220)	94.07	281.80				238
Vote 3 - ADMINISTRATION	48	37	53			53	14		(40)		51,364.43				148
Vote 4 - TECHNICAL	1,504	2,715	4,264			4,264	4,942		(152)						83
Vote 5 - AGENCIES	-	-	-			-	-		-						
Vote 6 - NAME OF VOTE (6)	-	-	-			-	-		-						
Vote 7 - NAME OF VOTE (7)	-	-	-			-	-		-						
Vote 8 - NAME OF VOTE (8)	-	-	-			-	-		-						
Vote 9 - NAME OF VOTE (9)	-	-	-			-	-		-						
Vote 10 - NAME OF VOTE (10)	-	-	-			-	-		-						
Vote 11 - NAME OF VOTE (11)	-	-	-			-	-		-						
Vote 12 - NAME OF VOTE (12)	-	-	-			-	-		-						
Vote 13 - NAME OF VOTE (13)	-	-	-			-	-		-						
Vote 14 - NAME OF VOTE (14)	-	-	-			-	-		-						
Vote 15 - NAME OF VOTE (15)	-	-	-			-	-		-						
Capital single-year expenditure sub-total	2,408	7,471	8,488			8,488	8,229		(177)	87.38	282.48				3,274
Capital expenditure - Vote	3,831	7,097	9,688			11,686	11,711		(1,000)	94.18	284.93				6,195
Capital Expenditure - VNM															
Vote 1 - EXECUTIVE AND COUNCIL															

Unaudited schedule:

Reconciliation of Table A7 Budgeted Cash Flows

Description	2018/2019						2017/2018		
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	6	7	9	10	11	12
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Service concession revenue	100,637	(2,176)	98,461	98,461	79,325	(19,137)	80.56	78.82	92,371
Government - operating	92,612	3,919	96,531	96,531	94,128	(2,403)	97.51	101.64	92,116
Government - capital	2,558	600	3,158	3,158	2,718	(440)	86.07	106.26	1,450
Other revenue	140,542	10,499	151,040	151,040	154,499	3,458	102.29	109.93	171,843
Interest	18,030	1,427	19,457	19,457	27,904	8,448	-	-	21,753
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(341,230)	(10,996)	(352,226)	(352,226)	(293,572)	58,654	83.35	86.03	(311,870)
Finance charges	(165)	-	(165)	(165)	(3,663)	(3,498)	2,217.91	2,217.91	(5,474)
Transfers and Grants	(2,675)	(237)	(2,912)	(2,912)	(2,234)	678	-	-	(1,567)
NET CASH FROM(USED) OPERATING ACTIVITIES	10,309	3,038	13,344	13,344	59,104	45,760	442.92	573.35	60,422
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	201	-	-	-	61
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(3,355)	(7,071)	(10,426)	(10,426)	(9,421)	1,005	90.36	280.83	(8,096)
NET CASH FROM(USED) INVESTING ACTIVITIES	(3,355)	(7,071)	(10,426)	(10,426)	(9,220)	1,005	88.44	274.85	(8,035)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	-	-	(13,080)	(13,080)	-	-	(17,013)
Finance lease payments	-	-	-	-	-	-	-	-	-
NET CASH FROM(USED) FINANCING ACTIVITIES	-	-	-	-	(13,080)	(13,080)	-	-	(17,013)
NET INCREASE/ (DECREASE) IN CASH HELD	6,954	(4,035)	2,919	2,919	36,805	33,886	-	-	35,374
Cash/cash equivalents at the year begin:	252,467	-	252,467	252,467	269,808	17,341	-	-	234,434
Cash/cash equivalents at the year end:	259,421	(4,035)	255,386	255,386	306,613	51,227	-	-	269,808

West Coast District Municipality

Appendix B

June 2019

Analysis of property, plant and equipment as at 30 June 2019 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification on Rand	Carrying value Rand
Land and buildings														
Land	26 760 390	-	1 021 057	-	-	-	27 781 447	-	-	-	-	-	-	27 781 447
Infrastructure														
Electricity supply / reticulation	372 715	-	-	-	-	-	372 716	(102 287)	-	(9 235)	-	-	(111 532)	261 183
Mini sub stations	3 693	-	-	-	-	-	3 693	(1 159)	-	(92)	-	-	(1 251)	2 412
Pump stations	14 288	-	-	-	-	-	14 288	(5 180)	-	(358)	-	-	(5 548)	8 741
Reservoirs	3 328	-	-	-	-	-	3 328	(1 895)	-	(133)	-	-	(1 818)	1 509
Electric panels	44	-	-	-	-	-	44	(14)	-	(1)	-	-	(15)	29
Electricity perimeter protection	53 529	-	-	-	-	-	53 529	(24 067)	-	(2 142)	-	-	(26 229)	27 300
Other	1 313 048	-	-	-	-	-	1 313 048	(13 499)	-	(83 888)	-	-	(97 387)	1 215 661
	1 768 816	-	-	-	-	-	1 768 816	(147 932)	-	(95 849)	-	-	(243 781)	1 618 836
Community Assets														
Residences (Personnel)	1 559 601	-	179 939	-	-	-	1 739 540	(437 757)	-	(98 000)	-	-	(636 757)	1 203 843
Warehouses	1 416 000	-	-	-	-	-	1 416 000	(707 813)	-	(70 770)	-	-	(778 583)	637 417
Community halls	8 417	-	-	-	-	-	8 417	(4 209)	-	(421)	-	-	(4 630)	3 787
Offices buildings	6 805 640	-	14 348	-	-	-	6 820 988	(3 255 987)	-	(330 902)	-	-	(3 586 889)	3 034 119
Recreational facilities	17 081	-	-	-	-	-	17 081	(1 439)	-	(570)	-	-	(2 009)	15 072
Clinics	1 846 076	-	-	-	-	-	1 846 076	(403 548)	-	(43 427)	-	-	(446 975)	1 398 101
Non residential perimeter protection	18 592	-	51 000	-	-	-	69 592	(9 419)	-	(1 801)	-	-	(11 220)	58 272
Workshops / Store rooms	559 893	-	-	-	-	-	559 893	(222 783)	-	(22 276)	-	-	(248 059)	311 855
Public parking	1 004 546	-	-	-	-	-	1 004 546	(502 285)	-	(50 225)	-	-	(552 510)	452 036
Fire, safety & emergency	36 555 037	-	464 073	-	-	-	37 019 110	(17 151 900)	-	(1 768 995)	-	-	(18 940 895)	18 078 245
Car ports / Garage	5 047	-	-	-	-	-	5 047	(1 472)	-	(252)	-	-	(1 724)	3 323
Internal roads	261 722	-	-	-	-	-	261 722	(108 935)	-	(8 443)	-	-	(115 378)	146 344
	49 854 852	-	709 429	-	-	-	50 564 281	(22 806 507)	-	(2 416 151)	-	-	(25 221 658)	25 342 614



Analysis of property, plant and equipment as at 30 June 2019

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification on Rand	Carrying value Rand
Heritage assets														
Specialised vehicles														
Other assets														
General vehicles	37 378 903	-	1 545 132	(1 118 924)	-	-	37 865 111	(28 888 230)	-	(1 801 142)	1 005 375	-	(27 483 997)	10 341 114
Audiovisual equipment	474 732	-	87 802	-	-	-	562 534	(371 163)	-	(29 150)	-	-	(400 343)	162 191
Computer Equipment	4 694 481	-	3 155 924	(78 974)	-	-	7 979 431	(3 528 804)	-	(381 661)	78 033	-	(3 812 432)	4 127 999
Domestic equipment	67 152	-	26 351	-	-	-	93 503	(38 766)	-	(1 832)	-	-	(40 698)	52 805
Electrical wire and power distribution	8 903	-	9 549	-	-	-	18 452	(2 364)	-	(1 402)	-	-	(3 766)	14 686
Emergency / rescue equipment	1 167 740	-	3 880	-	-	-	1 161 620	(635 470)	-	(1 07 876)	-	-	(743 348)	418 272
Elevator systems	6 398	-	-	-	-	-	6 398	(6 235)	-	(29)	-	-	(6 264)	134
Fire fighting equipment	5 278 608	-	997 473	-	-	-	6 276 082	(3 138 954)	-	(903 656)	-	-	(3 742 620)	2 533 462
Gardening equipment	234 961	-	11 330	-	-	-	246 291	(177 536)	-	(20 286)	-	-	(197 821)	48 460
Kitchen appliances	468 928	-	122 888	-	-	-	591 826	(282 469)	-	(26 331)	-	-	(308 868)	283 025
Laboratory equipment	1 075 844	-	5 202	-	-	-	1 080 946	(474 032)	-	(115 031)	-	-	(869 063)	481 763
Medical and allied equipment	148 444	-	-	-	-	-	148 444	(141 770)	-	(4 783)	-	-	(146 653)	1 861
Pump / Plumbing	2 556 269	-	-	-	-	-	2 556 269	(511 766)	-	(494 062)	-	-	(1 065 889)	1 550 381
Radio equipment	2 772 178	-	76 332	(28 786)	-	-	2 821 694	(1 479 598)	-	(219 871)	-	-	(1 699 469)	1 122 235
Security equipment	170 178	-	2 321	-	-	-	172 499	(63 879)	-	(33 616)	-	-	(97 495)	75 004
Workshop equipment	3 238 835	-	124 512	(182 367)	-	-	3 178 980	(2 835 694)	-	(167 810)	116 851	-	(2 908 653)	272 327
Air conditioners	927 544	-	-	(505)	-	-	927 039	(668 643)	-	9 693	-	-	(646 960)	280 089
Office furniture	3 831 260	-	33 141	-	-	-	3 864 421	(3 593 819)	-	(47 510)	-	-	(3 641 129)	323 292
Domestic and hostel furniture	1 474 060	-	134 100	-	-	-	1 608 160	(1 074 919)	-	(63 831)	-	-	(1 138 750)	469 410
Other	1 461 767	-	514 405	(12 844)	-	-	1 963 328	(1 47 854)	-	(254 027)	70 205	-	(#11 776)	1 031 452
	67 726 977	-	6 862 366	(1 434 500)	-	-	73 153 827	(48 439 828)	-	(4 394 264)	1 270 464	-	(48 623 725)	23 639 162

Analysis of property, plant and equipment as at 30 June 2019 Cost/RevaluationAccumulated depreciation

	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassified on Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	26 760 380	-	1 021 057	-	-	-	27 781 447	-	-	-	-	-	-	27 781 447
Infrastructure	1 760 616	-	-	-	-	-	1 760 616	(147 932)	-	(95 849)	-	-	(243 781)	1 516 835
Community Assets	49 854 652	-	709 420	-	-	-	50 564 072	(22 805 507)	-	(2 416 151)	-	-	(26 221 658)	25 342 414
Other assets	67 725 977	-	8 852 350	(1 424 500)	-	-	73 153 827	(46 429 925)	-	(4 394 264)	1 270 464	-	(43 823 725)	23 630 102
	146 101 635	-	8 852 327	(1 424 500)	-	-	153 259 962	(69 383 314)	-	(8 878 264)	1 270 464	-	(74 935 164)	78 276 798
Intangible assets														
Computers - software & programming and internally generated intangible Concession arrangement	8 241 850	-	-	(4 970 083)	837 822	-	4 109 579	(8 142 800)	-	(30 205)	4 970 083	-	(3 203 812)	906 557
	105 500 000	-	-	-	-	-	105 500 000	(101 863 449)	-	(1 815 275)	-	-	(103 684 724)	1 815 278
	113 741 850	-	-	(4 970 083)	837 822	-	109 609 579	(110 012 349)	-	(1 845 480)	4 970 083	-	(100 887 736)	2 721 843
Investment properties														
Investment property	5 508 050	-	-	-	-	-	5 508 050	(958 978)	-	(33 209)	-	-	(1 002 187)	4 505 863
	5 508 050	-	-	-	-	-	5 508 050	(958 978)	-	(33 209)	-	-	(1 002 187)	4 505 863
Total														
Land and buildings	26 760 380	-	1 021 057	-	-	-	27 781 447	-	-	-	-	-	-	27 781 447
Infrastructure	1 760 616	-	-	-	-	-	1 760 616	(147 932)	-	(95 849)	-	-	(243 781)	1 516 835
Community Assets	49 854 652	-	709 420	-	-	-	50 564 072	(22 805 507)	-	(2 416 151)	-	-	(26 221 658)	25 342 414
Other assets	67 725 977	-	8 852 350	(1 424 500)	-	-	73 153 827	(46 429 925)	-	(4 394 264)	1 270 464	-	(40 633 726)	23 630 102
Intangible assets	113 741 850	-	-	(4 970 083)	837 822	-	109 609 579	(110 012 349)	-	(1 845 480)	4 970 083	-	(100 887 736)	2 721 843
Investment properties	5 508 050	-	-	-	-	-	5 508 050	(958 978)	-	(33 209)	-	-	(1 002 187)	4 505 863
	265 351 636	-	8 852 327	(8 394 593)	837 822	-	265 377 591	(180 384 891)	-	(8 764 953)	6 240 557	-	(182 879 097)	85 498 604

West Coast District Municipality
Appendix B
July 2018

Analysis of property, plant and equipment as at 30 June 2018
Cost/Revaluation
Accumulated depreciation

	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WP Rand	Reclassifications Rand	Closing Balance Rand	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	Reclassifications Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	28 760 390	-	-	-	-	-	28 760 390	-	-	-	-	-	-	28 760 390
	28 760 390	-	-	-	-	-	28 760 390	-	-	-	-	-	-	28 760 390
Infrastructure														
Electricity supply / revaluation	372 715	-	-	-	-	-	372 715	(93 055)	-	(9 232)	-	-	(102 287)	270 418
Mini sub stations	3 653	-	-	-	-	-	3 653	(1 007)	-	(82)	-	-	(1 089)	2 564
Pump stations	14 289	-	-	-	-	-	14 289	(4 833)	-	(357)	-	-	(1 190)	9 089
Reservoirs	3 328	-	-	-	-	-	3 328	(1 553)	-	(135)	-	-	(1 688)	1 642
Electric panels	44	-	-	-	-	-	44	(13)	-	(1)	-	-	(14)	30
Electricity perimeter protection	53 529	-	-	-	-	-	53 529	(21 946)	-	(2 141)	-	-	(24 087)	29 442
Other	174 039	-	1 258 740	(119 731)	-	-	1 313 048	(37 803)	-	(2 005)	28 310	-	(13 495)	1 299 549
	621 697	-	1 258 740	(119 731)	-	-	1 760 616	(160 289)	-	(13 932)	28 310	-	(147 932)	1 612 894
Community Assets														
Residences (Personnel)	1 559 601	-	-	-	-	-	1 559 601	(395 831)	-	(51 926)	-	-	(437 757)	1 121 844
Warehouses	1 416 000	-	-	-	-	-	1 416 000	(637 043)	-	(70 770)	-	-	(707 813)	708 187
Community halls	8 417	-	-	-	-	-	8 417	(3 789)	-	(421)	-	-	(4 209)	4 208
Office buildings	6 805 640	-	-	-	-	-	6 805 640	(2 925 644)	-	(330 323)	-	-	(3 255 967)	3 550 673
Recreational facilities	17 061	-	-	-	-	-	17 061	(670)	-	(569)	-	-	(1 239)	15 822
Clinics	1 845 076	-	-	-	-	-	1 845 076	(360 121)	-	(43 427)	-	-	(403 548)	1 441 528
Non residential perimeter protection	18 592	-	-	-	-	-	18 592	(8 675)	-	(744)	-	-	(9 419)	9 173
Workshops / Store rooms	599 895	-	-	(30 002)	-	-	569 893	(200 488)	-	(22 275)	-	-	(222 763)	334 130
Public parking	1 004 546	-	-	-	-	-	1 004 546	(452 059)	-	(50 228)	-	-	(502 287)	502 259
Fire, safety & emergency	36 555 037	-	-	-	-	-	36 555 037	(15 337 332)	-	(1 814 568)	-	-	(17 151 900)	19 403 137
Car ports / Garage	5 047	-	-	-	-	-	5 047	(1 345)	-	(126)	-	-	(1 471)	3 575
Internal roads	281 722	-	-	-	-	-	281 722	(98 483)	-	(8 442)	-	-	(106 925)	154 797
	49 894 664	-	(30 002)	-	-	-	49 864 662	(20 411 940)	-	(2 393 817)	-	-	(22 805 607)	27 049 145

Analysis of property, plant and equipment as at 30 June 2018

Accumulated depreciation

	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassifications Rand	Closing Balance Rand	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	Reclassifications Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Specialised vehicles														
Other assets														
General vehicles	34 887 115	-	3 858 284	(1 346 485)	-	-	37 398 914	(25 152 902)	-	(2 653 418)	1 138 090	-	(26 668 230)	10 711 873
Audiovisual equipment	448 178	-	37 503	(11 949)	-	-	474 732	(349 031)	-	(33 635)	11 473	-	(371 183)	103 539
Computer equipment	4 988 775	-	337 930	(432 224)	-	-	4 894 481	(3 382 827)	-	(548 988)	402 821	-	(3 528 994)	1 365 677
Domestic equipment	50 701	-	17 152	(701)	-	-	67 152	(31 998)	-	(7 385)	570	-	(33 796)	28 356
Electrical wire and power distribution	8 254	-	-	(351)	-	-	8 903	(1 823)	-	(880)	349	-	(2 364)	6 539
Emergency / Rescue equipment	1 182 088	-	1 650	(26 009)	-	-	1 157 740	(543 886)	-	(111 286)	19 722	-	(635 470)	522 270
Elevator systems	6 398	-	-	-	-	-	6 398	-	-	(26)	-	-	(6 236)	163
Fire fighting equipment	4 818 188	-	482 081	(1 820)	-	-	5 278 049	(2 498 358)	-	(942 203)	1 597	-	(3 138 964)	2 139 045
Gardening equipment	225 885	-	16 321	(8 226)	-	-	234 981	(157 726)	-	(24 784)	4 884	-	(177 636)	57 425
Kitchen appliances	538 843	-	5 409	(78 323)	-	-	466 929	(310 768)	-	(29 553)	57 850	-	(282 489)	188 490
Laboratory equipment	994 611	-	181 391	(80 358)	-	-	1 075 644	(429 302)	-	(123 476)	78 745	-	(474 032)	601 612
Medical and allied equipment	154 688	-	-	(6 224)	-	-	148 464	(135 635)	-	(12 357)	8 222	-	(141 779)	6 874
Pump / Plumbing	2 028 884	-	554 327	(24 922)	-	-	2 558 289	(20 702)	-	(494 110)	3 018	-	(511 796)	2 044 473
Radio equipment	2 594 338	-	338 222	(160 410)	-	-	2 772 148	(1 332 398)	-	(275 757)	128 587	-	(1 478 568)	1 293 580
Security equipment	189 217	-	7 500	(8 538)	-	-	178 179	(33 490)	-	(33 549)	3 160	-	(63 879)	105 299
Workshop equipment	3 223 333	-	88 004	(74 502)	-	-	3 236 835	(2 657 086)	-	(222 376)	53 780	-	(2 836 694)	401 141
Air conditioners	793 490	-	134 054	-	-	-	927 544	(597 366)	-	(59 245)	-	-	(886 643)	270 901
Office furniture	4 328 245	-	37 522	-	-	-	3 931 269	(3 846 210)	-	(164 497)	407 088	-	(3 583 619)	337 661
Domestic and household furniture	1 358 039	-	116 051	-	-	-	1 474 090	(968 970)	-	(75 949)	-	-	(1 074 919)	399 141
Other	1 382 041	-	100 782	(31)	-	-	1 482 794	(1 628 875)	-	785 634	14 200	-	(748 041)	713 743
	84 142 018	-	6 275 383	(2 890 379)	-	-	87 526 984	(44 925 414)	-	(4 737 832)	2 332 234	-	(46 431 612)	21 285 982

Analysis of property, plant and equipment as at 30 June 2018 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	Wip Rand	Reclassifications Rand	Closing Balance Rand	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	Reclassifications Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	28 780 390	-	-	-	-	-	28 780 390	-	-	-	-	-	-	28 780 390
Infrastructure	621 607	-	1 258 740	(119 731)	-	-	1 760 616	(160 280)	-	(13 982)	-	-	(147 932)	1 612 694
Community Assets	49 894 854	-	-	(30 002)	-	-	49 864 852	(20 411 690)	-	(2 393 817)	-	-	(22 805 507)	27 049 145
Other assets	94 142 010	-	6 275 363	(2 680 379)	-	-	97 738 994	(44 025 414)	-	(4 737 832)	2 332 234	-	(46 431 013)	21 295 982
	141 468 861	-	7 534 103	(2 840 112)	-	-	146 162 852	(64 597 384)	-	(7 145 611)	2 368 544	-	(69 384 461)	76 716 291
Intangible assets														
Computers - software & programming	8 241 850	-	-	-	-	-	8 241 850	(7 194 888)	-	(947 932)	-	-	(8 142 820)	98 930
Concession management	105 500 000	-	-	-	-	-	105 500 000	(98 235 823)	(3 633 625)	-	-	-	(101 869 448)	3 630 552
	113 741 850	-	-	-	-	-	113 741 850	(105 430 811)	(3 633 625)	(947 932)	-	-	(110 012 368)	3 729 482
Investment properties														
Investment property	5 508 050	-	-	-	-	-	5 508 050	(935 798)	-	(33 210)	-	-	(968 978)	4 539 072
	5 508 050	-	-	-	-	-	5 508 050	(935 798)	-	(33 210)	-	-	(968 978)	4 539 072
Total														
Land and buildings	28 780 390	-	-	-	-	-	28 780 390	-	-	-	-	-	-	28 780 390
Infrastructure	621 607	-	1 258 740	(119 731)	-	-	1 760 616	(160 280)	-	(13 982)	-	-	(147 932)	1 612 694
Community Assets	49 894 854	-	-	(30 002)	-	-	49 864 852	(20 411 690)	-	(2 393 817)	-	-	(22 805 507)	27 049 145
Other assets	94 142 010	-	6 275 363	(2 680 379)	-	-	97 738 994	(44 025 414)	-	(4 737 832)	2 332 234	-	(46 431 013)	21 295 982
Intangible assets	113 741 850	-	-	-	-	-	113 741 850	(105 430 811)	(3 633 625)	(947 932)	-	-	(110 012 368)	3 729 482
Investment properties	5 508 050	-	-	-	-	-	5 508 050	(935 798)	-	(33 210)	-	-	(968 978)	4 539 072
	260 668 861	-	7 534 103	(2 840 112)	-	-	265 362 852	(170 963 963)	(3 633 625)	(11 126 753)	2 368 544	-	(186 368 797)	84 966 755

Segmental analysis of property, plant and equipment as at 30 June 2019 Cost/Revaluation

Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Corrections and Transfers Rand	WIP Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Corrections and Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality														
Executive & Council/Mayor and Council	1 281 870	11 884	-	-	-	-	1 293 754	(717 848)	-	-	(21 485)	-	(739 333)	554 221
Finance & Admin/Finance	150 279 875	1 538 281	(5 058 647)	-	837 822	-	147 619 311	(113 875 954)	5 089 511	-	(3 138 154)	-	(112 024 887)	35 534 714
Health/Clinics	3 359 568	322 988	-	-	-	-	3 682 556	(1 571 800)	-	-	(145 288)	-	(1 717 186)	1 965 388
Comm. & Social/Libraries and archives	9 840 270	700 727	-	-	-	-	10 540 997	(3 340 744)	-	-	(730 137)	-	(4 070 881)	6 330 116
Public Safety	78 822 342	3 832 890	(1 119 823)	-	-	-	81 234 899	(45 876 809)	1 005 375	-	(3 058 235)	-	(47 789 889)	33 465 140
Water/Water Distribution	22 272 164	2 058 578	(182 395)	-	-	-	24 148 378	(15 081 448)	145 673	-	(1 821 678)	-	(16 857 451)	7 588 925
	285 345 877	8 862 828	(8 398 939)	-	837 822	-	288 377 691	(180 364 883)	6 240 569	-	(8 764 953)	-	(182 879 087)	85 496 504

West Coast District Municipality

Appendix D

June 2019

Segmental Statement of Financial Performance for the year ended 30 June 2018

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality					
223 920	15 190 287	(14 966 377)	(40)	12 982 188	(12 982 208)
123 095 925	36 575 494	86 520 431	127 603 274	46 239 595	81 363 679
756 070	8 070 533	(7 314 463)	610 376	8 736 630	(8 126 254)
10 078 595	23 044 611	(12 966 016)	9 928 980	23 866 190	(13 937 210)
1 885 853	1 231 606	654 247	(2 199)	2 014 919	(2 017 118)
10 164 699	36 334 754	(26 170 055)	2 124 965	1 341 102	783 863
3 606 282	4 974 263	(1 367 981)	10 044 075	37 093 241	(27 049 166)
121 370 797	121 286 844	83 953	4 240 263	5 286 833	(1 026 570)
84 551 736	78 298 501	6 253 235	450 000	450 000	-
			131 361 308	131 361 308	-
			74 042 747	73 827 301	215 446
355 733 877	325 006 903	30 726 974	360 403 749	343 179 287	17 224 462

West Coast District Municipality
Appendix E (1)
June 2019

Schedule of external loans as at 30 June 2019

Loan Number	Redeemable	Balance at 30 June 2018	Interest paid less interest not paid during the period	Redeemed written off during the period	Balance at 30 June 2019	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
1	30/06/2020	12 150 760	-	5 722 792	6 427 968	-	-
1	31/12/2021	15 233 567	(194 633)	4 356 980	10 681 954	-	-
1	31/10/2022	13 500 000	-	3 000 000	10 500 000	-	-
		40 884 327	(194 633)	13 079 772	27 609 922	-	-

External loans

DBSA
ABSA
DBSA

West Coast District Municipality
Appendix E(2)
June 2019

Budget Analysis of Capital Expenditure as at 30 June 2019

	Additions		Revised Budget		Variance		Variance		Explanation of significant variances from budget
	Rand		Rand		Rand		%		
Municipality									
Executive & Council/Mayor and Council	13 738		53 300		39 562		74	Savings on projects	
Finance & Admin/Finance Planning and Development/Economic Development/Plan	4 082 360		4 587 624		485 264		11	Savings on projects	
Health	556 920		600 000		43 080		7		
Comm. & Social	330 184		671 390		341 206		51	Savings on projects	
Public Safety/Police	34 267		34 267		-		-		
Sport and Recreation	3 154 261		3 178 800		24 539		1		
Waste Water	227 860		272 580		44 720		16	Savings on projects	
Management/Sewerage	1 021 057		1 047 650		26 593		3		
	9 420 647		10 425 611		1 004 964		10		

West Coast District Municipality
Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFM, 66 of 2003
June 2019

Name of Grants	Quarterly Receipts					Quarterly Expenditure					Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
	Jun	Sep	Dec	Mar	Jun	Jun	Sep	Dec	Mar	Jun	
EPWP Grant	-	262 000	471 000	314 000	-	331 496	137 821	148 824	280 480	479 875	Yes
FMG Grant	-	1 000 000	-	-	-	121 738	248 577	103 122	314 231	334 070	Yes
Mayor Fund	37 750	-	-	-	311 200	-	-	-	-	259 436	Yes
Rural Roads management	766 000	1 791 000	-	767 000	-	535 398	-	295 592	584 765	1 360 461	Yes
Capacity Building Fire Services	-	1 483 000	-	-	-	-	-	-	-	1 483 000	Yes
MSIG	-	-	-	-	-	-	-	-	-	-	Yes
Work for Water	-	-	-	-	-	338 675	-	-	-	-	Yes
Provincial finance management grant	-	-	-	-	-	437 764	-	-	-	-	Yes
Provincial : LG	-	-	-	-	-	-	-	-	-	-	Yes
Provincial : LG Internship	240 000	-	360 000	72 000	-	-	321 320	(286 839)	-	767 860	Yes
Provincial mSCOA	280 000	-	280 000	-	-	18 070	7 888	1 355	25 652	245 105	Yes
Provincial Public Safety	-	-	-	-	-	-	-	-	-	-	Yes
Capacity Building : Health	-	-	-	-	-	-	58 906	88 359	-	(45 305)	Yes
Financial Management / Spatial Development	-	-	-	-	-	-	-	159 120	238 680	(79 560)	Yes
Western Cape Provincial Emergency Grant	-	-	-	-	450 000	-	-	-	-	450 000	Yes
WSOA : Western Cape Grant	-	-	-	800 000	-	-	-	-	-	-	Yes
	1 323 750	4 536 000	1 111 000	1 953 000	761 200	1 783 141	774 512	509 533	1 443 808	5 254 942	